



Seventy-third session

Agenda item 136

Programme budget for the biennium 2018–2019

**Progress on the replacement of office blocks A–J at the
United Nations Office at Nairobi****Report of the Advisory Committee on Administrative and
Budgetary Questions****I. Introduction**

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the progress on the replacement of office blocks A–J at the United Nations Office at Nairobi (A/73/344), submitted pursuant to General Assembly resolution 72/262 A. During its consideration of the report, the Advisory Committee met representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 27 September 2018.
2. In his report, the Secretary-General provides information on the steps taken after the General Assembly, in its resolution 72/262 A, approved the initiation of the project to replace blocks A–J at the United Nations Office at Nairobi, as proposed in his previous report (A/72/375). He also provides an update on the progress made, and information on the refinement of the project proposal, as requested by the Assembly (resolution 72/262 A, sect. XIV, para. 10), indicating that the new project proposal would entail the following three project activity streams: the repurposing of the publishing services building, including the construction of an annex; a “right-sized” building development, replacing blocks A–J; and the implementation of flexible workspace strategies in all remaining blocks at the Gigiri complex (see paras. 4–12 below). The Secretary-General indicates that this approach would ensure that the future space needs of the Office and all other United Nations tenants would be met, and in the light of the increasing number of requests received by the Office, would potentially allow additional specialized agencies, funds and programmes to join the secure complex.
3. Background information on the evolution of the complex is provided in paragraphs 1–3 of the report and in the previous report. The Advisory Committee expresses its gratitude to the host country for its continued support for the



United Nations Office at Nairobi and trusts that the Secretary-General will continue to engage with the host country to ensure the success of the project.

II. Refined project proposal

Repurposing the publishing services building and replacing existing blocks A–J

4. In terms of refining the project proposal, the Secretary-General proposes repurposing the existing publishing services building and constructing an adjacent annex with the purpose of providing new office space, within an earlier time frame than previously anticipated, that may also be used as swing space to support the conversion to a flexible working layout of all existing office space (A/73/344, paras. 19–20). The idea of repurposing the building results mainly from demand changes in the printing industry, where the smaller footprint of a digitally upgraded publishing facility would release more than half the building for conversion to other uses. The addition of an annex to and the construction of a mezzanine in the repurposed building would provide for up to 5,000 m² of space. The Secretary-General suggests that this refined approach could be considered a viable alternative to the construction of a new service building that was proposed in his previous report (paras. 52 and 54).

5. The Secretary-General indicates that blocks A–J were constructed in the late 1970s as semi-permanent buildings and do not comply with the prevailing codes in terms of industrial health and safety, seismic aspects, hazardous materials, accessibility, energy efficiency/sustainability and space utilization (para. 5). He also indicates that the replacement of the blocks was one of the near-term major construction projects identified in his reports on the strategic capital review (A/72/393, A/70/697 and A/69/760). Moreover, he indicates that, in that review, it was determined that further investment in major maintenance of the buildings would in time cost more than their full replacement, given that they had gone beyond their useful life (A/73/344, para. 6; see also A/70/697).

6. The Secretary-General states that, of the previously presented options (see A/72/375), the second, at a cost of \$69.88 million, was considered the most viable for replacing the blocks with the most benefits. The current refined proposal provides for the replacement of the blocks, all temporary prefabricated office structures and temporary office premises and other facilities. The refined project cost would be in the amount of \$66.26 million, reflecting a reduction of 5.2 per cent, or \$3.62 million, compared with the original estimated cost (see A/73/344, para. 21). A detailed breakdown of the total estimated costs from 2018 to 2024 is provided in annex I to the report of the Secretary-General.

7. With regard to the cost plans associated with the project, the Advisory Committee was provided, upon request, with a detailed comparison between those in the previous report of the Secretary-General and those in the current report. The table below confirms that, overall, a saving of 5.2 per cent is expected to be achieved.

Comparison of cost plans

(Thousands of United States dollars)

	A/72/375	A/73/344	Difference	
	(a)	(b)	(b)-(a)	Reasons for the difference
1. Construction costs				
1.1 Early works/repurposed publishing building	—	10 531.3	10 531.3	Refined proposal utilizing existing building
1.2 Flexible workspace	10 550.0	11 288.4	738.4	Cost rebaselined to 2018 (i.e. includes 7 per cent escalation compared with 2017 estimate)
1.3 New office building	25 143.0	18 080.3	(7 062.7)	Elimination of new service building, but revised cost rebaselined to 2018 (i.e. includes 7 per cent escalation)
1.4 Swing space (preparation, furnishing, configuration)	3 840.0	—	(3 840.0)	No temporary swing space required in refined proposal
Subtotal, construction costs	39 533.0	39 900.0	367.0	
2. Professional services				
2.1 Early works/repurposed publishing building design works	—	1 263.8	1 263.8	Refined proposal utilizing existing building, 12 per cent of construction owing to specialist design expertise (information technology and security)
2.2 Flexible workspace design works	1 055.0	1 354.6	299.6	Rebaselined to 2018 costs, increased from 10 to 12 per cent of construction owing to complex repurposing and specialist information technology design (flexible workspace)
2.3 New office building design works	2 514.0	1 808.0	(706.0)	Elimination of new service building
2.4 Risk management	—	102.9	102.9	Independent risk management began in 2018 and costs apportioned across full duration of project
2.5 Other services (furniture, information technology, licences and third-party review)	—	61.0	61.0	Other services and costs began in 2018, includes third-party reviews for 2019–2020
Subtotal, professional services	3 569.0	4 590.3	1 021.3	
3. Escalation	16 780.0	9 655.8	(7 124.2)	Reduced through accelerated schedule of 1.1–1.3 and escalation on 1.1–1.3 only (not on swing space or professional services)
4. Contingency	3 569.0	5 387.9	1 818.9	Contingency remains at 10 per cent, but increased to cover not only construction costs but also professional services and escalation

	A/72/375	A/73/344	Difference	
	(a)	(b)	(b)-(a)	Reasons for the difference
5. Project management				
5.1 Dedicated project management and support team	6 428.0	5 361.0	(1 067.0)	Reduced new Professional and National Professional Officer recruitments to half-year funding for 2019 to take account of recruitment lead times
5.2 Dedicated coordinator at Headquarters	—	404.0	404.0	Addition of Office of Central Support Services role at 75 per cent funded, and only half-year funded for 2019
5.3 Travel of project management team	—	87.8	87.8	Travel in 2018 related to risk workshop and Office of Central Support Services guidance on report preparation; travel budget included across duration of project
Subtotal, project management	6 428.0	5 852.8	(575.2)	
6. Security requirements	—	873.3	873.3	Security patrols during construction, assuming four United Nations staff security officers full time, but for 12-hour shifts per day over 24/7 period
Total	69 880.0	66 260.1	(3 619.9)	

8. As regards construction costs, the Advisory Committee notes that, while the costs of utilizing the existing publishing services building amount to \$10,531,300, those relating to the new office building have decreased by \$7,062,700 and those relating to the preparation, furnishing and configuration of swing space (\$3.84 million) are no longer applicable given that temporary swing space is no longer required.

9. The Advisory Committee is of the view that, when two revised and substantially different cost plans are proposed by the Secretary-General following the refinement of a construction project and a revision of the original cost plan as requested by the General Assembly, it would be good practice for the Secretary-General to provide the comparative information and explanations relating to both the original cost plan and the revised cost plan in his report. The Committee recommends that such comparative information be provided for all future construction projects, as required (see A/73/425, para. 20).

10. The Secretary-General indicates that the key objectives of the refined proposal are to address the life-safety deficiencies highlighted in the report. As a result, the current proposal is to build two office blocks based on the current needs and functions of the Office with the possibility, given the modular design nature of the proposal, of modifying the number of blocks in the future to accommodate increased or decreased identified needs. In this regard, the project proposal is scalable and flexible, allowing the Office to incorporate the possible impacts resulting from ongoing business transformation initiatives. The Secretary-General also indicates that the proposal does not, at this stage, take into account or attempt to predetermine the outcome of the work on the global service delivery model (paras. 12–14).

11. The Secretary-General elaborates that the space utilization study detailed in his previous report indicated an average desk utilization of 44 per cent and the potential

for increased occupancy density, thereby allowing for a fully flexible workplace environment. He stipulates, however, that, even if that environment were introduced, a new office building would still be required to cover a deficit capacity of between 500 and 900 workstations, given that the estimated future requirements of some 4,000 workstations exceed the current capacity (paras. 15–18). He indicates that the new office space to be established within the repurposed publishing services building and the new office buildings would be constructed by incorporating flexible workspace strategies that would consolidate the current footprint of the Secretariat tenants and allow extra office space to be made available to other United Nations tenants (para. 10).

12. The Secretary-General indicates that this approach allows for an accelerated construction schedule that will result in reduced overall escalation costs, poses a lower risk to the Organization than the previous proposal and provides additional benefits, including increased space utilization (summary and paras. 54–55). Upon request, the Advisory Committee was provided with a register of lessons learned from capital projects recently undertaken by the Organization (see A/69/760) and was informed that, in line with paragraph 6 of section XIV of resolution 72/262 A, the Global Property Management Service of the Facilities and Commercial Services Division of the Office of Central Support Services was serving as the focal point for maintaining and updating the register and ensuring that lessons learned were taken into consideration by all offices undertaking capital projects, including the project for the replacement of blocks A–J.

13. **The Advisory Committee welcomes the refined project proposal in terms of scope, implementation strategy and future activities to be undertaken with regard to the project. The Committee also welcomes the repurposing of the publishing services building, the replacement of office blocks A–J and the application of flexible workplace strategies to the office blocks of the complex, which will result in cost savings from optimizing the use of available space. The Committee commends the United Nations Office at Nairobi for providing transparent information regarding the related cost savings of 5.2 per cent of the overall budget.**

Project schedule

14. Figure IV in the report of the Secretary-General, reproduced below, provides the project schedule of the planning, design and construction phases of the overall project phases of the three main areas of work, namely: repurposing the publishing services building, which includes the construction of an annex; a “right-sized” building development that replaces blocks A–J; and the implementation of flexible workspace strategies at all remaining office blocks located on the complex. The schedule includes: the planning and design phases of each project part; proposed early works on the repurposed publishing services building being carried out during 2019, with a phased construction approach lasting until 2020; the gradual conversion of 56 floors of existing office space to flexible workspace beginning with the pilot project in the fourth quarter of 2019, with completion by the end of 2023; the demolition and construction of blocks A–J in two phases from 2021 to the third quarter of 2023; and project close-out activities as the final phase (para. 56).

Project schedule

	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
	2018				2019				2020				2021				2022				2023				2024			
Early works (repurposed publishing building/annex)																												
Planning phase																												
Design phase/tender phase																												
Moves/construction phase																												
Flexible workspace																												
Planning phase																												
Design phase/tender phase																												
Pilot/construction phase																												
New building																												
Planning phase																												
Design phase/tender phase																												
Moves/construction phase																												
Project close-out																												

15. The Secretary-General indicates in figure IV that the project will conclude with the close-out of project activities in the third quarter of 2024. As such, the project is characterized by an accelerated timeline for completion. The Advisory Committee recalls that the Secretary-General previously indicated that the project close-out phase would be scheduled for the final quarter of 2023 (A/72/375, table 8). The Committee was informed, upon enquiry, that the option 2 schedule in the previous report provided for the practical completion of the construction of the new office buildings at the end of 2023 and the revised schedule, in the current report, at the end of the third quarter of 2023 (A/73/344, figure IV). The Committee was also informed that the project close-out and defects liability period had been incorrectly indicated for the option 2 schedule in the previous report and should have stated the end of 2024. **The Committee encourages the Secretary-General to make every effort to implement measures to avoid any errors in the timelines of future construction projects given their potential impact on the costs and completion of the project.**

16. The Advisory Committee was provided, upon request, with a visual representation of the sequencing of the works in the project schedule, images of the existing office blocks and temporary structures, and images of the current office facilities constructed in 2010 that form the architectural design basis for the new buildings. **The Advisory Committee is of the view that, given the utility of the visual material in providing greater clarity and transparency regarding the sequencing of the works of the project schedule, future construction reports of the Secretary-General should include a visual representation of the sequencing of the proposed work.**

Project staffing

17. Annex II to the report of the Secretary-General provides details regarding the roles of the seven project positions proposed for establishment from 1 January 2019, comprising five positions in the dedicated project management team and two in the dedicated project support team. The position of Project Coordinator (P-3) is proposed for establishment from 1 January 2019 to 31 December 2022, to be cost-shared with the proposed project for the renovation of the North Building at the Economic Commission for Latin America and the Caribbean. The position would be based in the Global Property Management Service in the Office of Central Support Services at Headquarters and provide the oversight responsibility assigned to the Office by the General Assembly in its resolution 72/262 A, including the provision of independent

risk management services. The Advisory Committee notes that, while the other positions indicated in the report have no defined start and end date, that of Project Coordinator (P-3) is for a predetermined period of four years. **The Advisory Committee is of the view that the recruitment process for the project positions should take into account the scheduled activities in the project life cycle and that due consideration should be given to recruiting for the positions on an "as needed" basis. The Committee, therefore, recommends that the overall duration of the positions should correspond to the actual needs identified in the various phases of implementation of the project.**

Project accountability

18. Section III of the report of the Secretary-General provides information relating to project governance roles associated with the project (paras. 22–27). Information relating to the responsibilities associated with the roles is also provided in the previous report (A/72/375, paras. 57–72). Upon enquiry, the Advisory Committee was provided with a RACI ("responsible, accountable, consulted and informed") chart, which gives an overview of the main responsibilities of the project roles and responsible process owners in the project governance structure. **The Advisory Committee recommends that the chart be provided to the General Assembly at the time of its consideration of the report.**

Provisions for escalation and contingency

19. In his report, the Secretary-General indicates that the first Monte Carlo model¹ risk analysis demonstrated that the current "straight line" contingency funding of approximately 10 per cent applied to construction costs, professional services costs and escalation was insufficient to cover the potential costs of known potential risks to a P80 confidence level, the target of the Organization for global capital projects. The Secretary-General also indicates that this is to be expected at the current early planning stage of the project and is in line with industry norms. He further indicates that the maximum overall cost and implementation strategy of the project have not yet been approved by the General Assembly, and that, as the design phase has not yet begun, it is not possible to accurately quantify most project risks to the degree that available contingency funding should be pegged to the Monte Carlo analysis. He therefore proposes that the currently estimated contingency levels be kept at 10 per cent until the project design is further developed. He also states that the annual construction escalation rate of 7 per cent applic⁴ to construction costs over the proposed applicable five-year project duration is also consistent with local industry norms and is recommended for use in the project by the independent risk management firm (paras. 36–38).

20. Upon enquiry, the Advisory Committee was informed that the amount of \$542,000 for contingency for 2019 had been derived as a percentage of the related construction costs. The total costs had then been distributed over the project period to best reflect the foreseeable workload. The Committee was provided with information relating to the contingency and escalation costs and informed that the portion of the contingency for 2019 in the amount of \$542,000 was calculated by applying 10 per cent to categories 1, Construction (\$3,415,900), 2, Professional services (\$1,765,100), and 3, Escalation (\$239,100). **The Advisory Committee trusts that the estimates for escalation and contingency will continue to be refined as the project progresses and will reflect the appropriate rates or**

¹ The Monte Carlo model is a statistical analysis method used to better understand the impact of risks in a project, by using a range of minimum to maximum values with regard to time frames and cost estimates for stages and components, through a computer-based simulation that runs multiple random project scenarios.

amounts required to cover reasonable project risks, depending on the project stage. The Committee also trusts that the United Nations Office at Nairobi and the Office of Central Support Services will ensure that risks relating to construction costs, change orders, timelines of activities and procurement activities are appropriately managed to minimize risks of untimely project completion and cost overruns.

Progress during the reporting period

21. The Secretary-General provides details of the progress made during the reporting period in section V of the report. Activities include cooperation with Member States and the host country, procurement activities relating to the flexible workplace requirements and repurposing the publishing building, recruitment activities for the positions of Space Planner/Coordinator (P-4) and Architect/Engineer (P-3) approved by the General Assembly and the recruitment of the architectural consultant and specialist information technology and security consultants (paras. 42–49). He also provides the implementation strategy and schedule for the refined project (paras. 50–56).

Rental income

22. The Secretary-General indicates that the current project proposal would not lead to a significant increase in overall net rentable areas, given that the proposed new building is similar in size to the existing space being replaced in blocks A–J. Current rental billing amounts to some \$5.5 million per year. With a nominal annual rental inflation rate of 2 per cent between 2019 and 2023, annual rental income would be just over \$6 million by 2024 when all available space would be rentable (para. 58). Upon enquiry, the Advisory Committee was informed that the Office regularly conducted rental studies in Nairobi to confirm the applicable commercial rental rates. The most recent study, conducted in late 2017, had resulted in a slight reduction in rates, from \$196.65 per m² per year to \$185. An update was to be made annually to ensure the application of current commercial rates. The Committee was also informed that the primary objective of the project was to replace buildings that had reached the end of their useful lives and did not currently meet minimum building/life-safety codes rather than to be “self-financing” through additional future rental income.

Resource requirements for activities to be undertaken in 2019

23. In section VII of his report, the Secretary-General provides details of the activities to be undertaken in 2019, contingent upon the approval of the General Assembly. These include: recruiting the project team (see para. 17 above); awarding the architectural consultancy contract; beginning the specialized architectural consultancy services for the renovation of the publishing services building and for office space design, space planning and change management services related to the implementation of flexible workplace strategies; preparing tender documents for architectural consultancy services for the design of the new scalable office building or buildings; beginning the construction for a flexible workplace pilot project; and refining the overall cost estimate for the project in the light of the outcomes of the flexible workplace pilot project in 2019 (para. 68). The net funding requirements for 2019 of \$6.595 million take into account the projected unspent balance of \$158,100 at the end of 2018 and comprise \$765,500 under section 29H, United Nations Office at Nairobi, and \$5,829,400 under section 33, Construction, alteration, improvement and major maintenance (table 2 and para. 67).

24. The Secretary-General indicates that 2019 will see the construction for a flexible workplace pilot project begin. He recalls the two major known challenges associated with the implementation of flexible workplace strategies at the complex: “assumed

ownership" of space by existing tenants and the treatment of non-Secretariat tenants (para. 18). As regards the costs relating to the flexible workspace requirements (as indicated in the table above), the Advisory Committee notes that construction costs have increased, from \$10.550 million to \$11,288,400, owing to the inclusion of an escalation of 7 per cent in 2018, while professional services costs have also increased, from \$1.055 million to \$1,354,600. **In this regard, given the costs associated with the flexible workspace requirements, the Advisory Committee trusts that the pilot project will incorporate an updated cost-benefit analysis as well as approaches that address the identified challenges, best practices and implementation requirements of a flexible workplace environment. The Committee therefore recommends that the General Assembly request that the Secretary-General provide updates on the pilot project in his future reports on the construction project at the United Nations Office at Nairobi.**

III. Conclusions and recommendations

25. The action requested of the General Assembly is set out in paragraph 69 of the report of the Secretary-General. **Subject to its recommendations and observations above, the Advisory Committee recommends that the Assembly:**

(a) **Approve the proposed scope, maximum overall cost of \$66,260,100 of the project and implementation strategy for the replacement of office blocks A–J at the United Nations Office at Nairobi;**

(b) **Approve the establishment of six positions (1 P-5, 1 P-3, 2 National Professional Officer and 2 Local level) relating to the dedicated project management team and project support staff in Nairobi and one position (P-3) in New York to provide project coordination, to be based in the Global Property Management Service at Headquarters and cost-shared with the project for the renovation of the North Building at the Economic Commission for Latin America and the Caribbean;**

(c) **Appropriate an amount of \$6.595 million, comprising \$765,500 under section 29H, United Nations Office at Nairobi, and \$5,829,400 under section 33, Construction, alteration, improvement and major maintenance, of the programme budget for the biennium 2018–2019, which would represent a charge against the contingency fund;**

(d) **Approve the establishment of a multi-year construction-in-progress account for the project.**



General Assembly

Distr.: General
15 October 2018

Original: English

Seventy-third session

Agenda item 19

**Follow-up to and implementation of the outcomes of the
International Conferences on Financing for Development**

**Issues to be addressed in the thematic chapter of the 2019
and 2020 reports of the Inter-Agency Task Force on
Financing for Development**

Report of the Secretary-General

Summary

The present report was prepared in response to General Assembly resolution 72/208, entitled "Follow-up to and implementation of the outcomes of the International Conferences on Financing for Development".

As mandated in the resolution, the Second Committee of the General Assembly and the Economic and Social Council held a joint meeting to discuss the proposed themes for the thematic chapters of the 2019 and 2020 reports of the Inter-Agency Task Force on Financing for Development. The suggested topics presented were: (a) "National financing frameworks for the Sustainable Development Goals" for the 2019 report; and (b) "Financing sustainable development in the era of the fourth industrial revolution", for the 2020 report. At the meeting, delegations broadly welcomed the proposals and shared perspectives and suggestions for advancing analysis in those areas.



I. Introduction

1. In paragraph 11 of its resolution 72/208, the General Assembly requested the Secretary-General to address a joint meeting of the Second Committee and the Economic and Social Council, informing them of and discussing the issues to be addressed in the thematic chapter of the 2019 and 2020 reports of the Inter-Agency Task Force, and to summarize those discussions by producing a report, within existing resources, to guide the Inter-Agency Task Force on the thematic issues to be covered in those reports.

2. The Inter-Agency Task Force on Financing for Development has included thematic chapters in its annual reports since 2017. At the 2016 Economic and Social Council forum on financing for development follow-up, Member States endorsed a proposal by the Task Force to prepare its annual reports with the following sections: a discussion of the global economic context and its implications for sustainable financing; an overview of the progress made in each of the action areas in the Addis Ababa Action Agenda of the Third International Conference on Financing for Development; and analyses of thematic issues (E/FFDF/2016/3, para. 3). The thematic topics for the 2017 and 2018 reports were chosen by the Task Force, with informal feedback from Member States and other stakeholders. In 2017, the Task Force addressed the theme "Financing investment and social protection". In 2018, the theme was "Financing investment in selected Sustainable Development Goals: subnational finance, water and sanitation, energy and terrestrial ecosystem".

3. Pursuant to General Assembly resolution 72/208, the Economic and Social Council and the Second Committee of the General Assembly held a joint meeting on 14 September 2018 to discuss proposed themes for the 2019 and 2020 reports. The meeting was co-chaired by the Vice-President of the Economic and Social Council, Omar Hilale (Morocco) and the Vice-Chair of the Second Committee of the General Assembly at its seventy-second session, Kimberly Louis (Saint Lucia). On behalf of the Secretary-General, the Director of the Financing for Sustainable Development Office, Department of Economic and Social Affairs, introduced a note on the proposed topics for the thematic chapters of the 2019 and 2020 reports. The suggested topics were: (a) "National financing frameworks for the Sustainable Development Goals", for the 2019 report; and (b) "Financing sustainable development in the era of the fourth industrial revolution," for the 2020 report. Delegations broadly welcomed the proposals and shared perspectives and suggestions for advancing analyses in those areas.

4. The present report summarizes the Secretariat's proposal and discussions at the meeting. It is meant to serve as a guide for the Inter-Agency Task Force in preparing the 2019 and 2020 editions of its report.

II. Suggested theme for 2019: "National financing frameworks for the Sustainable Development Goals"

5. The Addis Ababa Action Agenda, as set out in the annex to General Assembly resolution 69/313, provides a global framework for financing sustainable development. In the Addis Ababa Action Agenda, there is a call to mobilize and align all financing flows and to create national and international enabling environments for sustainable development. At its heart are two core elements: (a) national policies and actions; and (b) an enabling international environment.

6. In reporting on their national efforts to implement the 2030 Agenda for Sustainable Development, countries emphasize that mobilizing the necessary

financial resources to fund their domestic efforts is one of the greatest challenges they face. On the basis of early experience in the implementation of the Sustainable Development Goals, it is clear that a strategic and integrated approach to financing can help countries to mobilize and align financing with sustainable development more effectively.

7. Preliminary analysis, however, indicates that national sustainable development strategies often do not have a comprehensive financing component. Interest in integrated financing has grown since the adoption of the Addis Ababa Action Agenda, but translating the framework of the Addis Ababa Action Agenda into coherent national financing strategies remains a challenge for many countries.

8. The Addis Ababa Action Agenda provides guidance for formulating national financing strategies. The concept of "integrated financing frameworks that support nationally owned sustainable development strategies" is introduced in paragraph 9 therein, providing policy guidance across chapters on different sources of financing, as well as for national and international enabling environments.

9. The thematic chapter of the forthcoming 2019 *Financing for Sustainable Development Report*¹ will be aimed at helping countries navigate the complex set of policy recommendations around financing sustainable development to operationalize the Addis Ababa Action Agenda at the country level. It will serve to: (a) identify the building blocks of national financing frameworks for sustainable development, including analysis of financing flows, policies and institutions for the implementation of the Sustainable Development Goals; (b) provide proposed actions for developing and integrating those building blocks into effective financing strategies, responding to specific national priorities, needs, country circumstances and the global environment; and (c) map out available support measures from the international community and identify any gaps that may exist.

10. Existing assessments of financing strategies suggest that country circumstances differ greatly with regard to the availability of concessional financing, the ability to raise public resources domestically and the ability to attract private investment. The particular elements of a sustainable financing strategy of any one country will thus be context-specific and depend on a country's unique circumstances, such as its economic structure, integration in the global economy, exposure to external shocks and access to different sources of financing. Those factors will strongly influence financing mixes.

11. In addition, the financing landscape has become more complex for many countries, with the participation of new actors (such as non-traditional donors or development finance institutions) and the availability of a wider array of instruments (such as blended finance instruments or foreign currency bonds). At the same time, the global environment has become more challenging. A less dynamic global economy, policy uncertainty, challenges to existing multilateral arrangements and more frequent weather events and disasters impede national efforts. Both the growing complexity of the financing landscape and the challenging international environment underline the merit of a strategic and integrated approach to mobilizing financing for sustainable development.

12. The literature on financing strategies has drawn a number of lessons from country experiences to date, including the following: strategies should be nationally owned; policymakers should identify a limited number of clear priorities (rather than a wish list); elements should be sequenced; strategies should emerge from a political

¹ The Inter-Agency Task Force proposes that future editions of its annual report will be entitled *Financing for Sustainable Development Report*, with a view to having the report reach a wider audience and to better communicating the findings contained in the report to all stakeholders.

process (and thus have a political constituency, rather than be only a technical exercise); and, most importantly, in the context of the *Financing for Sustainable Development Report*, strategies should be costed and linked to budgets, incorporate the full range of investment plans and other financing policies and be aligned with the macropolicy framework.

13. The analysis in the thematic chapter of the *Financing for Sustainable Development Report* will be linked closely to the analysis of progress made in the action areas of the Addis Ababa Action Agenda. National financing strategies have to respond to the international economic context, which will be laid out in the chapter addressing the global economic context; and, in turn, the strategies should serve to inform all financing policies, which will be analysed in depth in the chapters concerning the seven action areas of the Addis Ababa Action Agenda.

14. When drafting an integrated financing strategy, different means of implementation, in particular those related to trade and technology policies, should be taken into account. The importance of an international enabling environment for those policies will be highlighted in the report.

15. In the *Financing for Sustainable Development Report*, the Task Force will draw on existing experiences and early lessons learned from implementation efforts across countries and on analytical and capacity-building work performed by members of the Inter-Agency Task Force, and will put forward a framework for bringing together these and other policies and strategies as well as include general recommendations of good practices that can guide national efforts.

16. As in previous editions of the reports of the Inter-Agency Task Force, the means of implementing the Sustainable Development Goals under in-depth review will be highlighted. The Goals to be highlighted in the 2019 version include Goal 4, on quality education; Goal 8, on decent work and economic growth; Goal 10, on reduced inequalities; Goal 13, on climate action; Goal 16, on peace, justice and strong institutions; and Goal 17, on partnerships for the Goals. These Goals are very broad in scope and do not lend themselves to be addressed in one narrative chapter. Instead, they will be highlighted throughout the chapters of the report, including, but not limited to, the thematic chapter. Findings will then be summarized in an overview box or boxes on each of the Goals at the beginning of the report. Similarly, gender equality will remain a key cross-cutting issue in the report, and gender-relevant issues will be highlighted in each of the chapters.

Discussion and feedback

17. Representatives of the major institutional stakeholders of the financing for development process — the International Monetary Fund, the World Bank Group, the World Trade Organization, the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Development Programme — expressed their support for the proposed theme and their deep commitment to contributing to the analysis. The representatives underlined the relevance of national policy frameworks and national development strategies in achieving the Goals, and noted that financing and other means of implementation, such as trade and technology, were often insufficiently developed in such strategies. The thematic chapter would help countries to strengthen financing strategies and international support for them, including through the United Nations country teams and their work on financing.

18. Delegations also welcomed the proposal and expressed their support for the Task Force. They highlighted several issues that the Task Force should consider as it developed the chapter.

19. First, delegations noted that the thematic chapter should not limit itself to the analysis of domestic financing policies and domestic resource mobilization. In response, Task Force representatives underlined that the chapter would incorporate elements of all action areas of the Addis Ababa Action Agenda, linking to more in-depth analysis in those chapters. For example, the thematic chapter would address issues related to international development cooperation and the international enabling environment as they affect national financing frameworks and strategies. This would include the alignment of development cooperation with national priorities and the use of country systems in its disbursements, or the impact of the global economic context, such as exchange rate volatility, rising interest rates or growing obstacles to trade, on national financing strategies. Taking this country perspective would thus lead to clear policy recommendations, not only for countries implementing financing strategies but also for the international community and its contributions to creating enabling environments for national efforts.

20. Second, delegations underlined that national financing frameworks needed to be based on national priorities and needs, and that analyses should take the development status of countries into account. Those calls are echoed in the Task Force's emphasis on context-specific strategies. Delegations also noted that the thematic chapter could help to link the implementation of the 2030 Agenda and the Addis Ababa Action Agenda at the country level, and thus strengthen momentum for their implementation.

21. Third, delegations stressed the importance of addressing the means of implementation of the Goals that are under in-depth review and of mainstreaming cross-cutting issues such as gender throughout the report.

III. Suggested theme for 2020: "Financing sustainable development in the era of the fourth industrial revolution"

22. For the 2020 *Financing for Sustainable Development Report*, to be released five years after the adoption of the Addis Ababa Action Agenda, the Task Force proposed a thematic chapter on financing sustainable development in the era of the fourth industrial revolution. It intends for the chapter to provide a wide-angle lens assessment of how certain global megatrends have impacted the financing landscape since 2015. Prominent among them are new and emerging technologies that are having an impact on all aspects of development financing.

23. In the chapter, the Task Force will explore how new technologies, such as artificial intelligence, big data and blockchain, have affected the action areas of the Addis Ababa Action Agenda. The Task Force will assess the opportunities that the new technologies create as well as the risks they pose for households and firms and, more broadly, financial system stability.

24. The chapter will feature the broad range of the impacts of the new technologies, from the effect they have on financial inclusion, where innovative technologies have facilitated access to financial services for hundreds of millions of people, to tax cooperation, the implementation and financing of clean and sustainable infrastructure and industrialization, trade policies and financial regulations. Building on the wealth of ongoing work in this area, including in the context of the annual multi-stakeholder forum on science, technology and innovation for the Sustainable Development Goals, and by the newly established task force on the digital financing of the Sustainable Development Goals, the Inter-Agency Task Force intends for the 2020 report to provide guidance to countries as they navigate this changing financing landscape.

25. Representatives of the major institutional stakeholders highlighted their ongoing work on new technologies and the unprecedented opportunities and risks

they had created across the action areas of the Addis Ababa Action Agenda, underlining the relevance of the chosen theme.

26. Delegations broadly supported the rationale behind the proposal, but also expressed some reservations. As indicated in the summary below of their key concerns, delegations:

(a) Noted that there was no agreed definition of the term "fourth industrial revolution" and sought more clarity on the concept and the scope and focus of the proposed chapter;

(b) Called upon the Task Force to provide evidence-based analysis and to be judicious in separating promising technologies and their potential to make real contributions from pseudo-science and over-hyped technologies;

(c) Called for the organization of expert meetings, work streams and discussions on key subtopics;

(d) Stressed that different United Nations forums and independent entities were addressing related matters. They underlined that the thematic chapter should build on and complement the extensive ongoing work in this area rather than duplicate it, including in the Science, Technology and Innovation Forum, the Commission on Science and Technology for Development of UNCTAD, in the World Bank and in other forums and reports.

27. Task Force representatives stressed that, by bringing together the analytical capacity of the United Nations system, they would be able to include in the report a careful assessment that would identify developments that would have a significant impact on sustainable financing. They would do so without duplicating existing work, but rather by building on and complementing existing work streams.

IV. The way forward

28. The Task Force will post the outline of the *Financing for Sustainable Development Report* on its website in October 2018 and will hold a public briefing on the status of its work. The advanced unedited version of the report will be posted on the website at the end of February 2019, as requested by Member States.

29. In 2019, the international community will take stock of the progress in the implementation of the Addis Ababa Action Agenda at the forum on financing for development follow-up, to be held in April, and at the High-level Dialogue on Financing for Development, to be held at the level of Heads of State and Government in September. Those events will also help to inform the discussions on assessing the progress made on the means of implementing the Goals, to be held in July and September at the high-level political forum on sustainable development, also at the level of Heads of State and Government.

30. The 2019 *Financing for Sustainable Development Report* will serve as a basis for deliberations at the 2019 forum on financing for development follow-up and will provide an analytical framework for the engagement of investors and countries at the Sustainable Development Goals Investment Fair. It will also provide substantive guidance to the organizations and bodies of the United Nations system as they aim to strengthen support for countries in implementing sustainable financing strategies, a key objective of the Secretary-General's strategy for financing the 2030 Agenda.

31. The Secretary-General will prepare an issue note for the high-level dialogue of the General Assembly in September 2019, drawing on the analytical work of the Inter-Agency Task Force, capturing the latest trends and identifying areas that require high-level political commitment for accelerated action.

**General Assembly**

Distr.: General
15 October 2018

Original: English

Seventy-third session

Agenda items 117 (h) and (i), 136 and 147

Appointments to fill vacancies in subsidiary organs and other appointments: appointment of the judges of the United Nations Dispute Tribunal and the United Nations Appeals Tribunal

Programme budget for the biennium 2018–2019

Administration of justice at the United Nations

Administration of justice at the United Nations and activities of the Office of the Ombudsman and Mediation Services

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the administration of justice at the United Nations (A/73/217 and A/73/217/Add.1) and on the activities of the Office of the United Nations Ombudsman and Mediation Services (A/73/167). The Committee also had before it the report of the Internal Justice Council on the administration of justice at the United Nations (A/73/218). During its consideration of the reports, the Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 2 October 2018.

2. The report of the Secretary-General on the administration of justice provides information on the functioning of the formal system for the calendar year 2017, as well as caseload statistics and observations on the operation of the system. The report also responds to specific requests of the General Assembly contained in its resolution 72/256 (see A/73/217, paras. 65–105). The report on the activities of the Office of the United Nations Ombudsman and Mediation Services provides information on the activities of the Office in 2017.

3. The present report contains the observations and comments of the Advisory Committee on the above reports of the Secretary-General. In section II, the Committee provides its recommendations on the administration of justice and on the



responses of the Secretary-General to the requests of the General Assembly in its resolution 72/256, including the proposed addition of three permanent judges in lieu of the current three ad litem judges. Section III contains the recommendations of the Committee with respect to the Office of the United Nations Ombudsman and Mediation Services, in particular a proposal to initiate a pilot project by the Secretary-General to offer access to its services to non-staff personnel. Section IV discusses other proposals of the Secretary-General, such as the proposed change from annual to biennial reporting on the system of administration of justice.

4. With respect to the presentation of the report of the Secretary-General on the administration of justice at the United Nations, the Advisory Committee was informed that concerted efforts had been made to streamline the presentation of information and reduce the overall size of the report, with background information on the roles of the respective offices and elements within the system summarized in annex I to the report. The Secretary-General indicates that this will be a feature of his future reports. **The Advisory Committee commends the Secretary-General for his efforts aimed at streamlining and improving the presentation of his report.**

5. In addition, the addendum to the report of the Secretary-General (A/73/217/Add.1) contains proposed amendments to the statute of the United Nations Appeals Tribunal in relation to the jurisdiction of the Appeals Tribunal over decisions of the Standing Committee acting on behalf of the United Nations Joint Staff Pension Board. **The Advisory Committee notes that the addendum and the legal aspects of the related reports of the Secretary-General on the administration of justice would be considered by the Sixth Committee during the current session¹ (see also the forthcoming report of the Advisory Committee on the United Nations Joint Staff Pension Fund, to be submitted during the current session).**

II. Formal system of administration of justice at the United Nations

6. The report of the Secretary-General on the administration of justice presents a review of the functioning of the formal system of administration of justice in 2017, including statistics pertaining to the latest caseload of the different entities within the system: the Management Evaluation Unit, the United Nations Dispute Tribunal, the United Nations Appeals Tribunal and the Office of Staff Legal Assistance (see A/73/217, paras. 3–64).

Trends in caseload

7. Aggregate incoming caseload data for the period from 2009 to 2017 are reflected in tables 1, 4, 7 and 10 of the report of the Secretary-General. The Secretary-General states that the review of the data contained therein indicates that there have been some fluctuations from year to year (*ibid.*, paras. 3 and 4). Compared with that of 2016, the incoming caseload of the Dispute Tribunal in 2017 remained stable (383 applications compared with 382), while the caseload of the Appeals Tribunal decreased (from 170 applications to 88). The Advisory Committee notes that the decrease in the caseload of the Appeals Tribunal is due in part to the reduced rate of disposal by the Dispute Tribunal (see para. 11 below).

¹ In paragraph 37 of General Assembly resolution 72/256 and earlier resolutions on the administration of justice, the Assembly invited the Sixth Committee to consider the legal aspects of the report to be submitted by the Secretary-General, without prejudice to the role of the Fifth Committee as the Main Committee entrusted with responsibility for administrative and budgetary matters.

8. The requests received by the Management Evaluation Unit and the Office of Staff Legal Assistance significantly increased (from 944 to 1,888 and from 1,756 to 4,147, respectively) over the same period. The report states that this increase was the result of several group or cluster cases relating to the implementation of the unified salary scale and changes to the post adjustment for several duty stations. The Secretary-General confirms that there continues to be a nexus between decisions that affect large numbers of staff members and the frequency of recourse by staff to the formal system (*ibid.*, paras. 3–6). He also indicates that, system-wide in 2017, efforts to resolve applications in the formal system through informal means continued and that 74 per cent of the total of 2,143 requests for management evaluation received in 2017 did not proceed to the Dispute Tribunal (*ibid.*, para. 11 and table 1).

9. With respect to the trends in the formal system since its inception, the Advisory Committee was informed upon enquiry that the data generated over the nine years indicate first and foremost that the formal element of the system received a sustained caseload over this period and that, in a dynamic organization focusing on efficiency and mandate delivery and going through reform processes, it is to be expected that there will continue to be a sustained caseload would for the foreseeable future.

10. The Advisory Committee notes that the level of activity for the period from 2009 to 2017 fluctuates from year to year depending on the entity of the system. The Committee considers that continued analysis of the trends in caseload would be merited, in order to assess whether the formal system is stabilizing or not. The Committee trusts that the Secretary-General will continue to collect and report on statistics pertaining to the caseload of the different entities within the system (see A/70/420, para. 8).

Functioning of the United Nations Dispute and Appeals Tribunals

11. The Secretary-General reports that, while the incoming caseload for the Dispute Tribunal remained stable in 2017, the Tribunal issued the lowest number of judgments (100) in 2017 since 2009, including in years when there were judicial vacancies. The number of applications that were disposed of by the Tribunal also decreased: a total of 268 applications in 2017,² compared with 401 applications in 2016, 480 in 2015, 320 in 2014 and 325 in 2013. Consequently, the number of pending applications is increasing, with 372 applications brought over to 2018 (an increase of 44 per cent compared with 2016), which is the highest number of pending applications at year end since the system was introduced in 2009. The Advisory Committee notes that, as a result of the reduced number of judgments, the number of appeals of Dispute Tribunal judgments before the Appeals Tribunal decreased from 148 in 2016 to 54 in 2017 (see A/73/217, paras. 13, 14 and 16).

12. It is further reported that in 2017 the Appeals Tribunal continued to dispose of cases and to issue judgments in numbers that are consistent with prior years. As a result, the total number of cases pending before the Appeals Tribunal at the end of 2017 decreased to 40, the lowest number since it began operations (*ibid.*, para. 16).

13. The Secretary-General recalls that in 2016 the General Assembly amended the statutes of the Dispute Tribunal and the Appeals Tribunal to allow for the authority of the President of each Tribunal to monitor the timely delivery of judgments. However, he states that the Assembly may wish to consider whether further monitoring of the

² Applications filed for suspension of action are seen as having an impact on the work of the Dispute Tribunal and all offices and entities involved, especially if several requests are filed at the same time, such as when field missions are closing. Requests for suspension of the implementation of a contested administrative decision require the Dispute Tribunal to consider the application within five days from the service of the application on the respondent (see A/73/217, paras. 14 and 25 and footnote 1).

matter by the Assembly or the Internal Justice Council may be necessary. It is indicated that such reporting by the Internal Justice Council would be consistent with its terms of reference to provide its views on the implementation of the system of administration of justice to the Assembly (*ibid.*, para. 15).

14. Upon enquiry, the Advisory Committee was informed that, without prejudice to the independence of the Dispute Tribunal, the Principal Registrar and the Registries continued to propose to the judges practical means for reducing the backlog, such as a backlog reduction plan based on the use of better data, to be generated from a dashboard which would keep track of the cases at different stages. The Committee was also informed that the Information Technology Officer of the Office of Administration of Justice was also supporting the Tribunal by enhancing the functionality of the court case management system in areas identified by the Tribunal. Additional measures to enhance judicial and operational efficiency of the Tribunal have been put forward by the Internal Justice Council (see A/73/218, sect. II.F). **Taking into account the information in paragraphs 11 to 13 above, the Advisory Committee notes that additional measures may be necessary, including the establishment of a backlog reduction plan with a real-time case-tracking dashboard and performance indicators on disposal of caseload.**

15. In addition, the Advisory Committee was informed upon enquiry that actions to enhance judicial efficiency could arise from the adoption of new provisions of the rules of procedure and other issuances of the Tribunal, including additional timelines for the different stages of the proceedings. Currently, while there are timelines for the applicant and the respondent to make their respective submissions, there is no provision for when the case should be acted on by the assigned judge; therefore, in some instances, many months may pass before the first judicial action is taken in a particular case. **The Advisory Committee notes that there are legal issues outside its purview that may need to be addressed.**

Resource requirements for 2019 for the United Nations Dispute Tribunal

16. In terms of resource requirements for the Dispute Tribunal for 2019, the Secretary-General proposes three new permanent judicial positions in lieu of the current *ad litem* judicial positions (see also para. 23 below). The Dispute Tribunal is at present composed of one full-time and one *ad litem* judge at each of the three Tribunal duty stations (New York, Geneva and Nairobi), as well as two half-time judges. The Advisory Committee recalls that, prior to the establishment of the current system on 1 July 2009 and with the expressed purpose of clearing a backlog of remaining cases carried over from the previous system, the Secretary-General proposed that three *ad litem* judges and additional registry staffing be provided for the Dispute Tribunal for one year (see A/62/7/Add.39, para. 6). The General Assembly decided to appoint three *ad litem* judges to the Dispute Tribunal for a period of one year as a transitional measure.³

17. The Secretary-General indicates that, notwithstanding the original intention of the Assembly that the three *ad litem* judge positions would be a transitional measure, it has extended these positions for a cumulative period totalling nine years and six months as at 31 December 2018.⁴ The Secretary-General further indicates that, while article 4.4 of the statute of the Dispute Tribunal provides that its judges shall be appointed for one non-renewable term of seven years, its statute and rules of procedure contain no provisions governing the status or terms of the appointment of *ad litem* judges. As a result of the repeated extensions, one current *ad litem* judge exceeded seven years of service in July 2016 (and will have reached a cumulative

³ See General Assembly resolution 63/253, paras. 48 and 49.

⁴ See General Assembly resolution 72/256, para. 32.

term of nine and a half years on 31 December 2018) and another current ad litem judge would exceed seven years of service in April 2019 if that appointment were to be extended for another year (see A/73/217, paras. 85–87). **The Advisory Committee considers that the terms of appointment of the ad litem judges should not exceed that of the full-time judges appointed to permanent positions (one non-renewable term of seven years).**

18. In paragraph 32 of resolution 72/256, the General Assembly requested the Secretary-General to provide further information, in consultation with the relevant stakeholders, regarding the implication of the establishment of three new permanent judges in the Dispute Tribunal, in lieu of ad litem judges, in order for a decision to be taken on that issue at its seventy-third session. In his report, the Secretary-General points out that, should there be a consistent decline in the Dispute Tribunal's caseload following the creation of three new judicial positions, given the staggered appointment dates of the judges,⁵ the Assembly would have the flexibility to evaluate the need for continuation of each judicial position when each term expires (see A/73/217, para. 90).

19. In response to its query concerning the feasibility of adding permanent full-time judge positions while maintaining limited ad litem positions, the Advisory Committee was informed, inter alia, that in the view of the Office of the Administration of Justice, none of the legal concerns associated with the extension of ad litem positions would be addressed through such an arrangement. Should the General Assembly decide to create any permanent judicial positions in lieu of the ad litem positions, the Secretary-General would urge the Assembly to create a sufficient number of such permanent positions, taking into consideration the locations with the highest caseloads. Geneva and Nairobi have each had more incoming cases than New York in the past five years (see A/73/217, table 5). It was indicated to the Committee that this trend was consistent with the case data for 2018: the caseload has noticeably increased in Geneva and Nairobi (from 1 January to 31 August 2018, the Dispute Tribunal registries received 95, 90 and 34 new applications in Geneva, Nairobi and New York, respectively). The two half-time judges can be deployed, as necessary, to address the caseload in any of the three locations of the Dispute Tribunal.

20. **Bearing in mind the rationale for establishing additional permanent full-time judicial positions in lieu of ad litem ones and in view of the higher overall level of activity in both Geneva and Nairobi since 2014, which is consistent with the number of applications received, disposed of and pending, the Advisory Committee recommends that the General Assembly (a) approve the addition of two permanent full-time judges in lieu of the two existing ad litem judges to the Dispute Tribunal at those locations (Geneva and Nairobi) as at 1 January 2020; and (b) pending the nomination of candidates by the Internal Justice Council and the election of the two permanent full-time judges by the Assembly, extend the two ad litem judge positions in Geneva and Nairobi up to 31 December 2019.**

21. In view of the lower overall caseload and the level of activity in New York and the availability of two half-time judges to the Dispute Tribunal, the Committee recommends against the extension of the ad litem judge position in New York beyond 2018 and that any costs associated with the position proposed for 2019 should be deducted accordingly. The Committee therefore recommends that the General Assembly amend article 4.1 of the statute of the Tribunal to read

⁵ The Advisory Committee was informed upon enquiry that, of the five judges (three full-time and two half-time), the terms for two will end by 30 June 2019 and the terms for the other three by 30 June 2023.

“The Dispute Tribunal shall be composed of five full-time judges and two half-time judges”.

22. The Secretary-General also proposes the establishment, starting on 1 January 2019, of six posts (3 Legal Officers and 3 Legal Assistants)⁶ in lieu of the six positions currently financed under general temporary assistance to support the proposed three new permanent full-time judges. Upon enquiry, the Advisory Committee was informed that the Secretary-General was requesting the General Assembly to convert the current six temporary positions, notwithstanding any future decision of the Assembly on the number of additional permanent judges. It was indicated to the Committee that support staff played a critical role in case intake, processing and preparation of case files, communication with the parties, conduct of legal research, provision of legal advice and preparation of drafts for the judges. Furthermore, staff in a duty station where no new permanent judicial positions were to be created would provide essential assistance and support to the half-time judges, who had no dedicated support at present. **In connection with its recommendations contained in paragraphs 20 and 21 above, the Advisory Committee recommends the approval of two new Legal Officer posts (P-3), one in each of Geneva and Nairobi, one Legal Assistant post (General Service (Other level)) in Geneva and one Legal Assistant post (General Service (Local level)) in Nairobi in lieu of general temporary assistance positions. Concerning the staffing requirements in New York, the Committee recommends that the two positions (1 P-3 and 1 GS (Other Level)) remain under general temporary assistance.**

23. The Secretary-General indicates that his proposal contains no financial implications: regardless of whether the judges are ad litem or permanent, the related amounts of resource requirements would be the same, given that their remuneration level would remain the same. Similarly, there would be no difference in resource requirements related to the support staff, whether they served under general temporary assistance positions or established posts (see A/73/217, para. 89). Information on the proposed resource requirements of \$1,495,400 (net) for 2019 is provided in section V of the report of the Secretary-General.⁷

24. Upon enquiry, the Advisory Committee was informed that the initial appropriation approved by the General Assembly included the provision for the three ad litem judges and their support staff (3 P-3 and 3 General Service positions) only for 2018. Therefore, options to extend the existing three ad litem judges and the six general temporary assistance positions for 2019, or to create three permanent judges and convert the six general temporary assistance positions into posts, would entail additional costs over and above the initial appropriation for the biennium 2018–2019. **Subject to its recommendation in paragraph 21 above, the Advisory Committee recommends a reduction of \$277,400 to the proposed resource requirements for 2019.**

Roster of candidates for judicial positions in the United Nations Dispute and Appeals Tribunals

25. The Secretary-General also recommends that the General Assembly invite the Internal Justice Council to consider creating a formal roster of fully qualified and

⁶ Three Legal Officer posts (P-3), one in each of Geneva, Nairobi and New York, two Legal Assistant posts (General Service (Other level)), one in each of Geneva and New York, and one Legal Assistant post (General Service (local level)) in Nairobi, in the Dispute Tribunal Registries (see A/73/217, para. 120 (e)).

⁷ The Advisory Committee was informed upon enquiry that since the proposal of the Secretary-General was to convert the currently existing general temporary assistance positions into posts, vacancy rates applicable for continuing posts (i.e. 11.5 per cent for Professional and above, and 8.7 per cent for General Service) had been applied in calculating the post costs.

suitable candidates for judicial positions so that it can swiftly make recommendations to fill judicial posts at either Tribunal without the need to undertake a full recruitment exercise (see A/73/217, paras. 118 and 120 (j)). Upon enquiry, the Advisory Committee was informed that, while respecting the exclusive mandate of the Internal Justice Council in the process of identifying suitable candidates for judicial appointments, the Secretary-General was of the view that a roster of candidates could assist the Assembly in addressing judicial vacancies. The Committee was further informed that the Assembly had made no decision on the recommendation of the Council contained in its previous report (see A/70/190, para. 35), and that the 2018 report of the Council contained no related recommendation concerning the establishment of a roster; rather, the Council recommended for appointment only those candidates who had been found suitable by the Council following a fully fledged recruitment exercise undertaken in the first half of 2018 (see A/73/218, para. 6).

26. **The Advisory Committee is not convinced of the need to establish a formal roster of candidates for a very limited number of judicial positions, given that permanent judges are appointed for a term of seven years. Recourse to the roster would only be required infrequently, making it a challenge to keep the list of pre-vetted candidates up to date. Instead, the Committee stresses that alternative options should be explored to ensure that judicial vacancies are filled in a timely and expeditious manner.**

Voluntary supplemental funding mechanism for the Office of Staff Legal Assistance

27. The voluntary supplemental funding mechanism is currently experimental and approved on an annual basis to supplement the funding of the Office of Staff Legal Assistance.⁸ In its resolution 72/256, the General Assembly decided again to extend the experimental period for one year, from 1 January to 31 December 2018, and requested the Secretary-General to provide further information, in consultation with the relevant stakeholders, regarding the implications of the regularization of the voluntary staff funding mechanism in order to take a decision on the issue of the financing of the Office at its seventy-third session. The Assembly has underscored that regularizing the voluntary staff funding mechanism, if approved, shall not affect the nature of the funding of the Office of Staff Legal Assistance.⁹

28. The Secretary-General notes that, because of the uncertainty of continued funding of this mechanism, in practice staff can be hired only on a temporary basis. Extending the mechanism on an indefinite basis, until the Assembly decides otherwise, would therefore enable the recruitment of staff on a longer-term basis. The advantages associated with this change are described in paragraph 80 of the report of the Secretary-General (A/73/217). The Secretary-General accordingly requests that the mechanism be extended on an indefinite basis, without prejudice to a determination as to whether expenditures incurred pursuant to the Office's mandate constitute "expenses of the Organization" within the meaning of article 17 of the Charter of the United Nations.

29. On a related matter, pursuant to paragraphs 29 to 31 of resolution 72/256, the report of the Secretary-General provides information on efforts undertaken to encourage staff members to contribute to the voluntary mechanism, including a letter from the Chef de Cabinet to all staff members covered by the internal justice system

⁸ The General Assembly, in its resolution 68/254, decided that the funding of the Office of Staff Legal Assistance would be supplemented by a voluntary payroll deduction not exceeding 0.05 per cent of a staff member's monthly net base salary and that this funding mechanism would be implemented on an experimental basis from 1 January 2014 to 31 December 2015.

⁹ General Assembly resolution 72/256, paras. 27 and 28.

and outreach activities by the Executive Director of the Office of Administration of Justice. Data relating to staff contributions to the Office of Staff Legal Assistance and opt-out rates are provided in annex IV to the report of the Secretary-General (A/73/217). With particular respect to the reported high opt-out rates at the United Nations Children's Fund, the Advisory Committee was informed upon enquiry that, following a targeted outreach effort, previous high opt-out rates over 90 per cent up to April 2018 had dropped to 39 per cent in August 2018.

30. The Advisory Committee notes that, since its establishment by the General Assembly for the biennium 2014–2015,¹⁰ the voluntary supplemental funding mechanism has provided additional funding to supplement the resources of the Office of Staff Legal Assistance. The Committee reiterates its recommendation that the Assembly regularize the voluntary supplemental funding mechanism for the Office. The Committee also encourages the Secretary-General to continue to intensify his efforts to increase awareness of the usefulness of the mechanism (see A/72/7/Add.19, para. 14; A/70/420, paras. 27 and 28; and A/71/436, para. 7).

III. Activities of the Office of the United Nations Ombudsman and Mediation Services

31. The Office of the United Nations Ombudsman and Mediation Services provides informal conflict-resolution services guided by the core principles of independence, neutrality, confidentiality and informality (see A/73/167, sect. I). The Office opened a total of 3,247 cases¹¹ in 2017, an increase of 23 per cent over the previous year. Of those cases, 2,579 (80 per cent) originated in the Secretariat, 450 (14 per cent) in the funds and programmes and 218 (7 per cent) in the Office of the United Nations High Commissioner for Refugees (UNHCR). The Secretary-General indicates that, in the Secretariat, an overall upward trend in case volume has been observed over the past eight years, while the funds and programmes and UNHCR have maintained a relatively steady case volume during the same period. A statistical overview of cases and trends is provided in section III of the report of the Secretary-General (A/73/167).

32. The Advisory Committee reiterates the continued importance of the informal part of the system of administration of justice in taking early action to prevent or limit cases of litigation. The Committee recalls its previous observations that informal resolution is an important part of the system and continues to encourage efforts to increase its use when appropriate (see A/72/7/Add.19, para. 36).

Remedies available to non-staff personnel at the United Nations

33. In its resolution 72/256, the General Assembly requested the Secretary-General to prepare a comprehensive analysis of the information on the remedies available to non-staff personnel provided in annex II to his previous report on the administration of justice at the United Nations (A/72/204), with a view to informing the discussion at the seventy-third session of the Assembly. The related information is provided in the most recent report of the Secretary-General on the administration of justice (see A/73/217, paras. 96–105). The Secretary-General indicates that, in order to identify ways to further enhance access to grievance-resolution mechanisms for non-staff personnel, it is necessary to take a holistic view of the situation of non-staff within the Organization, including by acknowledging the presence of different types of such personnel (each with its own terms and conditions of service) and the need for

¹⁰ See General Assembly resolution 68/254, para. 33.

¹¹ Cases include all types of interventions, including mediation.

consistency between the remedies and the rights and obligations commensurate with the particular category of personnel.

34. The report of the Secretary-General provides information on access to remedies available to non-staff personnel at the Secretariat, funds and programmes, specialized agencies and related bodies of the United Nations, including amicable settlement; arbitration; ombudsman and mediation services and management evaluation, in addition to remedies under protection against discrimination, harassment, including sexual harassment, and abuse of authority, as well as protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations under applicable administrative issuances (see A/73/217, paras. 99 and 100).

Access to the services of the Office of the United Nations Ombudsman and Mediation Services

35. The Secretary-General indicates that he has further examined the issue of access of non-staff personnel to ombudsman and mediation services in the Secretariat. The Office of the United Nations Ombudsman and Mediation Services is not mandated to serve non-staff personnel and does so only on an exceptional basis and when feasible within existing resources. In 2017, the Secretariat received 225 cases from non-staff personnel, compared with 152 cases in 2016 (an increase of 73 cases, or about 48 per cent) and 161 cases in 2015. Upon enquiry, the Advisory Committee was informed that, of the 225 cases from non-staff personnel the Office received during 2017, 133 cases emanated from peacekeeping operations and 92 from other offices. The Committee was also informed upon enquiry that, while the terms of reference of the Office did not include a specific mandate for the provision of services to non-staff personnel (see ST/SGB/2016/7), there was already a mandate in place for the Office on selected issues, such as that covering the prohibition of discrimination, harassment, including sexual harassment, and abuse of authority under ST/SGB/2008/5.

36. In his report, the Secretary-General indicates that he proposes to initiate a pilot project that would offer access to informal dispute-resolution services to non-staff personnel as "part of the Office's mandate" (see A/73/167, para. 89). Upon enquiry, the Advisory Committee was informed that this was a proposal for approval by the General Assembly. The Secretary-General further indicates that, should the pilot project lead to an increase in the number of cases from non-staff personnel beyond 350 cases per year,¹² he would be required to seek additional resources for the project to continue (see A/73/167, para. 89; see also A/73/217, paras. 104 and 105).

37. **The Advisory Committee recommends that the General Assembly approve the proposal for the pilot project to offer access to informal dispute-resolution services to non-staff personnel by the Office of the United Nations Ombudsman and Mediation Services and request the Secretary-General to ensure that the pilot project will be undertaken within existing resources. Furthermore, the Committee recommends that the Assembly request the Office to establish, in assessing its workload arising from services to non-staff personnel, not only quantitative indicators such as the number of cases, but also qualitative analysis with respect to the complexity of the cases involved, follow-up actions and the results of the interventions of the Office.**

¹² The Advisory Committee was also informed upon enquiry that the Secretariat had engaged a total of 34,132 individuals under the various non-staff personnel categories during the biennium 2016–2017 (see A/73/79/Add.1).

IV. Other proposals of the Secretary-General

38. The Secretary-General submits other proposals in section IV of his report on the administration of Justice at the United Nations (A/73/217), which are discussed below.

Reporting on the system of administration of justice

39. The Secretary-General proposes that all reports to the General Assembly under the agenda item on the administration of justice be submitted on a biennial basis, with the first biennial reports to be submitted at the seventy-fourth session. The Office of Administration of Justice would, however, continue to issue its own annual activity reports, which would include aggregate data on the work of the Dispute Tribunal, the Appeals Tribunal and the Office of Staff Legal Assistance, as well as summaries of notable legal pronouncements by the Tribunals in the reporting year. The annual activity reports are accessible on the website administered by the Office (www.un.org/en/internaljustice/oaj/activity-reports.shtml) (see A/73/217, paras. 112 and 120 (i)). The rationale for the change of the reporting cycle is explained in paragraph 112 of the report of the Secretary-General, including the fact that the system has been well developed since its inception. The Advisory Committee was informed upon enquiry that, while annual activity reports of the Office had not included statistical information from the Management Evaluation Unit in the past, the Office remained ready to include such information in its future reports should the Assembly so decide.

40. Upon enquiry, the Advisory Committee was informed that, while the General Assembly, in its resolution 62/228 and subsequent resolutions, had acknowledged the evolving nature of the new system and the need to carefully monitor its implementation, the system had substantially developed since its establishment in 2009 through a series of decisions by the Assembly that regulated various matters, including the structure and the mandates of the system, the conditions of service and the codes of conduct for the judges, in addition to a comprehensive review of the system by a high-level interim independent assessment panel in 2015. The Secretary-General is of the view that, with the move to an annual budget cycle, the Assembly will retain annual oversight over the resource requirements of the system, while biennial reporting on substantive matters will allow the Tribunals and constituent offices to enhance efficiencies by redirecting human resources currently invested in the preparation of the annual report and corollary activities to their substantive mandates.

41. **While the Advisory Committee has no objection to future biennial reporting on the administration of justice, it is of the view that the reporting cycle should remain annual at this stage so as to ensure continued close monitoring of the operations of the Tribunals, in particular the potential impact of the proposed permanent judicial positions on the completion of cases. Taking into account that the system of administration of justice addresses employment-related disputes with close linkages to human resources policies and management, the Committee is of the view that future biennial reporting on the system, if approved, should be in tandem with the existing biennial reporting requirements on human resources management.**

Roles of the Secretary-General and the Office of Administration of Justice in the internal justice system

42. The Secretary-General recommends that the General Assembly reaffirm the roles of the Secretary-General and the Office of the Administration of Justice in the

internal justice system as decided by the Assembly in its resolutions 61/261, 62/228, 63/253 and 68/254 (see A/73/217, paras. 109-111 and 120 (h)). Upon request, the Advisory Committee was provided with extensive background in this regard. **The Committee trusts that more details on the matter justifying the need for this action will be provided to the relevant Main Committee and the General Assembly at the time of its consideration of the present report.**

V. Conclusion

43. Actions to be taken by the General Assembly are set out in paragraph 120 (a) to (l) of the report of the Secretary-General on the administration of justice at the United Nations (A/73/217). Subject to its comments and recommendations in paragraphs 14, 17, 20 to 22, 24, 26, 30, 41 and 42 above, the Advisory Committee recommends approval of the proposals of the Secretary-General that are within the purview of the Committee, as reflected in the above-listed paragraphs.

44. Subject to its recommendation in paragraph 37 above, the Committee recommends that the General Assembly approve the proposal of the Secretary-General contained in paragraph 89 of his report on the activities of the Office of the United Nations Ombudsman and Mediation Services (A/73/167).



General Assembly

Distr.: General
15 October 2018
Original: English

Seventy-third session

Agenda item 34 (a)

Prevention of armed conflict: prevention of armed conflict

**Letter dated 5 October 2018 from the Permanent Representative
of Vanuatu to the United Nations addressed to the
Secretary-General**

I have the honour to transmit herewith, on behalf of my delegation, the Declaration on Peace and Cessation of War (see annex).

I should be grateful if the present letter and its annex could be circulated as a document of the General Assembly, under agenda item 34 (a).

The Declaration remains open for signature by the delegations concerned.

(Signed) Odo Tevi
Permanent Representative of the Republic of Vanuatu
to the United Nations



Annex to the letter dated 5 October 2018 from the Permanent Representative of Vanuatu to the United Nations addressed to the Secretary-General

Declaration on Peace and Cessation of War

The delegation of the Republic of Vanuatu do solemnly declare,

Recalling the resolution 3314 (XXIX) on 14 December 1974 on the definition of aggression, resolution 36/103 on 9 December 1981, on Declaration on the Inadmissibility of Intervention and Interference in the Internal Affairs of States, resolution 2625 (XXV) on friendly relations and co-operation among States, resolution 53/243 of 13 September 1999 on a Culture of Peace, 70/262 on Sustaining Peace, resolution 71/189 of 19 of December 2016 on the Declaration on the Right to Peace and other relevant resolutions,

Renewing the determination set forth in the Preamble to the Charter "to save succeeding generations from the scourge of war",

Recalling the commitment with the purposes and principles of the Charter of the United Nations and its value and validity recognized in the resolution 70/3 of Declaration on the occasion of the seventieth anniversary of the United Nations 23 of October,

Welcoming the adoption of the 2030 Agenda for Sustainable Development and acknowledging in line with the 2030 Agenda, that sustainable development will be at risk without sustainable peace and security,

Welcoming also the UN Secretary General's vision on prevention of prioritizing conflict prevention and sustaining peace,

Emphasizing that sustaining peace is a shared task and responsibility that needs to be fulfilled by the government and all relevant stakeholders, and should flow through all three pillars of the United Nations' engagement at all stages of conflict, and in all its dimensions, and needs sustained international attention and assistance,

Reaffirming faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of women and men and of nations large and small, the promotion of social progress and better standards of life for people and future generations and the need to facilitate peaceful coexistence among nations and the world's religions, beliefs, and ethnicities,

Acknowledging that the inherent dignity and of the equal and inalienable rights of all human beings is the foundation of freedom, justice and peace throughout the world,

Reaffirming that the equal, full and effective participation of both women and men is essential for the promotion and attainment of sustainable peace and security,

Reaffirming also the important role of women in the prevention and resolution of conflicts and in peace-building, and the need for member states to increase the role of women in decision-making with regard to conflict prevention and resolution,

Aiming to maintain international peace and security and determined to pass on to successive generations an invaluable inheritance of a world free of wars,

Ensuring the acceptance of principles and the institution of methods, that armed force should not be used, save in accordance with the conditions prescribed by the relevant international law,

Recognizing that developing friendly relations and cooperation among nations based on the principle of equal rights and self-determination of peoples constitutes a significant contribution to contemporary international law, and that its effective application is paramount to the sustainability of world peace and security,

Recognizing also the common values of faith that permeates all religions and religious scriptures and holy texts are for the promotion of peaceful coexistence, tolerance, and mutual respect,

Reaffirming the principle of the sovereign equality of all Member States,

Convinced that peaceful means to settle international disputes can replace the rule of war with the rule of law,

Calling upon the Member States to promote and respect the rule of law at the international level and to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained,

Emphasizes States to undertake, prosecute and sanction gross and systematic acts of violence undertaken in the name of religion in accordance with the rules of international law including fundamental rights guaranteed,

Emphasizes also that States bring about disarmament and non-proliferation of weapons of mass destruction as well as weapons capable of causing widespread and unnecessary suffering, such as through the illicit use of small arms and light weapons, and weapons incompatible with international humanitarian law,

Recognizing the utmost importance of general and complete disarmament, in particular nuclear disarmament, and that peace, security and economic and social development are indivisible,

Prohibition of the threat or use of force

1. *Encourages* States to in their international relations refrain from the threat or use of force in any manner inconsistent with the purposes and principles of the United Nations;

2. *Calls Upon* States to refrain in their international relations from all acts of aggression and other uses of force contrary to the Charter of the United Nations and the Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States in accordance with the Charter of the United Nations;

3. *Emphasizes* the need for States to prohibit any act or threat of violence, whatever its motives or purposes, that occurs for the advancement of an individual or collective criminal agenda;

4. *Calls upon* States to abstain from interference in the internal conflicts of other States except for the maintenance of international peace and security and in accordance with the Charter of the United Nations and other relevant rules of international law;

War Potential

5. *Emphasizes* the importance for States to co-operate with a view to working towards a global reduction in armament production;

6. *Urges* States to not produce, assist in, encourage, or induce, the production of weapons of mass destruction, or weapons capable of causing indiscriminate or widespread and unnecessary suffering, or weapons incompatible with international humanitarian law;

7. *Calls upon* States to take measures to ensure that existing weapons of mass destruction, weapons capable of causing widespread and unnecessary suffering and weapons incompatible with international humanitarian law are dismantled or destroyed, and States should cooperate in disarmament and the reduction of arms stockpiles, ideally under international supervision, in which decommissioned weapons manufacturing facilities should be repurposed, so that they may serve purposes that are beneficial to humanity in general;

8. *Invites* States to strive to reduce excessive standing armies and military bases to a degree that the right to self-defence and international peacekeeping operations are not impaired;

9. *Recommends* that States increase their efforts to diminish trade in weapons prohibit the illicit flow of small arms and light weapons to non-State actors;

Friendly relations and the prohibition of acts of aggression

10. *Reaffirms* United Nations General Assembly Resolution 2625 (XXV), and encourages States to develop friendly relations based upon respect for the principle of equal rights and self-determination of all peoples, and endeavor to take appropriate measures to strengthen universal peace;

11. *Emphasizes* the duty of States to refrain from any forcible action that deprives all peoples of their rights to self-determination;

12. *Recalls* that territory of a State shall not be the object of military occupation resulting from the use of force in the contravention of the provisions of the Charter and shall not be the object of acquisition by another State resulting from the threat or use of force;

13. *Encourages* States to promote accountability, in accordance with relevant United Nations resolutions and international laws, in particular the Geneva Convention and its additional protocols, and take measures to ensure that they do not conduct any activity which amounts to the violation of such laws;

14. *Encourages also* States to condemn, and criminalize in their domestic laws, the planning, preparation, initiation or execution, by any individual or group of persons in a position to exercise control over, or to direct the political and military actions of a State, in an act of aggression against another State which, by its character, gravity and scale, constitutes a manifest violation of international law, thus amounting to a crime of aggression;

15. *Recommends* that States refrain from allowing their territories to be placed at the disposal of other actors, whether States or non-State actors, to engage in armed force against a third State except in situations sanctioned by international law;

16. *Calls upon* States to bear in mind the principle of sovereign equality of States and to seek consultation with all other States on the basis of reciprocal respect, on issues that may relate to them, in order to resolve and prevent disputes which may arise, provided that this provision shall apply without prejudice to human rights law and human dignity;

State boundaries

17. *Urges* States to refrain in their international relations from military, political, economic, or any other form of coercion aimed against the territorial integrity or political independence of any State, or in any other manner inconsistent with the purposes of the United Nations;

18. *Reminds* States of their duties to refrain from the threat or use of force which violates existing internationally recognized boundaries of other States, or as a means of resolving international disputes, including territorial and frontier disputes, in a manner inconsistent with international law and other relevant United Nations Resolutions;

19. *Emphasizes* the obligation of Member States to refrain from any acts of aggression including acts of incitement, planning, preparation, initiation or commission of any other act of aggression by a State, a group of States, or an illegal armed group, or by any foreign or external entity, against the sovereignty, political independence, or territorial integrity of any State;

Self-determination

20. *Affirms* the duty of every State to refrain from the threat or use of force against the territorial integrity or political independence of any other State or in any other manner inconsistent with the Purposes of the United Nations;

21. *Reaffirms* the principle of the self-determination of all peoples, that States shall not engage in any intervention that seeks to divide or separate a State in a manner inconsistent with the relevant rules of international law;

22. *Emphasizes* that States have the duty to refrain from prematurely recognising an entity that has purported to secede from another State in accordance to international law;

23. *Urges* States to encourage nation-States that have been divided as a result of foreign military intervention, aggression or occupation to engage in co-operation and mutual dialogue, including, inter alia, measures which may result in peaceful coexistence within the region;

24. *Recommends* that any political system in which power is exercised beyond the term limit permitted by domestic law by an individual or regime amounts to a manifest denial of the right to self-determination and should be condemned;

Dispute settlement

25. *Encourages* States to recognize the obligation to settle their international disputes through peaceful means such as dialogue, negotiations, arbitration, mediation, conciliation, judicial settlement, resort to regional agencies or arrangement or other peaceful means of their own choice in such a manner that international peace and security are not endangered;

26. *Encourages also* States to accept the jurisdiction of the International Court of Justice, in accordance with Article 36, paragraph 2, of the Statute of the Court and Article 93, paragraph 1, of the United Nations Charter, in the interest of global peace and security and as a means of ensuring that disputes are settled peacefully and in accordance with international law;

27. *Encourages further* States to adopt measures to penalize the failure to comply with the decision of the International Court of Justice or any other judicial body in any case to which is a party;

Right to self-defence

28. *Reaffirms* that nothing in the present resolution should be construed so as to impair the inherent right to individual or collective self-defence if an armed attack occurs against a State, in accordance with the provisions of international law, until such time as the Security Council has taken measures to maintain international peace and security;

29. *Reaffirms also* that measures taken by Member States in the exercise of their right to self-defence shall be immediately reported to the Security Council and shall not in any way affect the authority and responsibility of the Security Council under the United Nations Charter to take, at any time, such action as it deems necessary in order to maintain or restore international peace and security;

Freedom of religion

30. *Encourages* States to unite and strengthen international efforts to foster a global dialogue for the promotion of a culture of tolerance and peace at all levels, based on respect for human rights and diversity of religions and beliefs;

31. *Calls upon* States to refrain from and prohibit the usage of religion by governments, groups, or individuals in order to justify or to incite acts of violence against others;

32. *Requests* States to foster religious freedom by allowing members of religious communities to practice their religion, whether publicly or in private, and to promote the full respect for and protection of places of worship and religious sites, cemeteries and shrines;

Religion, ethnic identity and peace

33. *Recommends* States to engage in multilateral consultations to deal with situations where differences attributable to religion or ethnicity pose a threat to peace and security so that remedial action may be taken and to identify the root causes of a situation causing tension between different religious or ethnic groups, in order to adopt necessary measures to promote mutual understanding between the groups concerned;

34. *Calls upon* States to take measures to ensure that religious beliefs or ethnic identity are not utilised as a pretext for all acts of violence and to take adequate measures that lead to the prosecution and punishment of such activities in circumstances where individuals or groups perpetrate or assist in such acts;

35. *Calls upon also* States to implement, in good faith, legal measures against individuals or groups attempting to use their religious beliefs to perpetrate or assist in all acts of violence, including those that threaten the territorial integrity and political independence of States;

Spreading a Culture of Peace

36. *Encourages* States to collaborate with groups and organizations that seek to further the cause of peace as a global movement and to facilitate such groups in their awareness-raising activities, including providing education in human rights and peace studies, as provided for, inter alia, in the Universal Declaration of Human Rights and the 1999 United Nations Declaration on a Culture of Peace;

37. *Encourages also* States to facilitate activities, commemorations, and initiatives that engage public consciousness with peace, including the erection of peace monuments alongside war monuments, in order to raise public awareness of the need for and value of peace, which necessity is agreed upon toward preserving a lasting Culture of Peace;

38. *Calls upon* States to promote a Culture of Peace including ensuring conditions in which:

(a) citizens, particularly women, are able to participate in the political affairs of the State as equals regardless of religious or ethnic differences;

- (b) the freedom and independence of the media is enhanced;
- (c) education is imparted to promote respect and mutual understanding among different religious beliefs and ethnic groups;
- (d) the right to development of peoples, including the achievement of the United Nations Sustainable Development Goals, can be realized;
- (e) the wellbeing of all mankind is promoted with an aim to guarantee peaceful coexistence amongst States.

**General Assembly**

Distr.: General
15 October 2018
Original: English

Seventy-third session

Agenda item 134

**Financial reports and audited financial statements,
and reports of the Board of Auditors****Financial reports and audited financial statements and
reports of the Board of Auditors for the period ended
31 December 2017****Report of the Advisory Committee on Administrative and
Budgetary Questions****I. Introduction**

1. The Advisory Committee on Administrative and Budgetary Questions has considered 25 reports in connection with the financial reports and audited financial statements and reports of the Board of Auditors for the period ended 31 December 2017, as follows:

(a) Concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors for the annual financial period 2017;

(b) Eighteen financial reports and audited financial statements and reports of the Board of Auditors for the financial period ended 31 December 2017 pertaining to the audited entities;

(c) Financial report and audited financial statements and report of the Board of Auditors on the United Nations Joint Staff Pension Fund;

(d) Seventh annual progress report of the Board of Auditors on the implementation of the United Nations enterprise resource planning system;

(e) Second annual progress report of the Board of Auditors on the implementation of the information and communications technology strategy;

(f) Report of the Board of Auditors on the strategic heritage plan of the United Nations Office at Geneva;

(g) Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2017 on the United Nations and on the capital master plan (advance version);



(h) Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2017 on the United Nations funds and programmes (advance version).

2. As indicated in the footnote to the detailed list of reports set out in annex I below, the Committee will reflect its comments and recommendations on certain topics in separate reports.

3. During its consideration of the reports, the Advisory Committee met with the members of the Audit Operations Committee of the Board of Auditors, who provided additional information and clarification, concluding with written responses received on 4 October 2018. The Committee also met with representatives of the Secretary-General to discuss the status of implementation of the Board's recommendations, who provided additional information and clarification, concluding with written responses received on 8 October.

4. **The Advisory Committee commends the Board of Auditors for the quality of all of its reports, including the concise summary, in which it identifies matters of a cross-cutting nature. The Committee continues to find the reports of the Board valuable in the conduct of its own programme of work.**

II. Audit opinions of the Board of Auditors

5. As in previous years, the Board issued unqualified audit opinions for all audited entities. In the case of the International Tribunal for the Former Yugoslavia, the Board issued an emphasis of matter to draw attention to the fact that the Tribunal had ceased to be a going concern as from 1 January 2018 upon the completion of its mandate on 31 December 2017 and to the amalgamation of its remaining activities with the International Residual Mechanism for Criminal Tribunals (IRMCT). The Advisory Committee was informed, upon enquiry, that on 1 January 2018 all identifiable remaining assets and liabilities of the Tribunal had been transferred to the Residual Mechanism.

6. In the view of the Board, there has been continuous improvement in the application of the International Public Sector Accounting Standards (IPSAS) in the preparation of financial statements across the United Nations system. The Advisory Committee notes that, since 2011, all entities audited by the Board have received unqualified opinions (see A/72/537, para. 5). **The Committee welcomes the fact that all entities have again received unqualified audit opinions from the Board of Auditors.**

III. Major findings of the Board of Auditors

A. General observations

1. Overall financial situation

7. As indicated in paragraphs 8 and 9 and table 1 of the concise summary (A/73/209), the Board observed that of the 18 audited entities,¹ 13² of them had closed

¹ Not including the United Nations Joint Staff Pension Fund, because it follows International Accounting Standard 26 for the reporting framework and IPSAS for accounting treatments.

² The United Nations, the United Nations peacekeeping operations, the International Trade Centre (ITC), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the United Nations Institute for Training and Research (UNITAR), the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Office on Drugs and Crime (UNODC), the United Nations Office for Project Services (UNOPS), the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and the International Tribunal for the Former Yugoslavia.

the financial year with a surplus, while 5³ had recorded a deficit. The Board indicates, furthermore, that, of those five entities, two (UN-Habitat and IRMCT) had recorded a surplus in the previous financial year. The Board also observed that of the 13 entities that had closed the financial year with a surplus, 8⁴ had recorded a deficit in 2016. In addition, 11 entities⁵ had improved their surplus/deficit position, whereas the remaining 7 had seen a decline in that respect.

8. Details of the analysis by the Board of the financial ratios and the management of cash and investments of the audited entities are presented in the concise summary report (*ibid.*, paras. 12–16), as well as in the relevant sections of the audit reports of the individual entities. In keeping with past practice, the Board has applied an analysis of the following ratios: (a) the cash ratio, a measurement of the amount of cash, cash equivalents and invested funds that exist to cover current liabilities; (b) the quick ratio, which is another liquidity measure that excludes such assets as inventory and other current assets, which may be more difficult to turn into cash; (c) the current ratio, or the ratio of current assets to current liabilities, indicating the ability to cover short-term liabilities; and (d) the solvency ratio, or the ratio of total assets to total liabilities (*ibid.*, table 3).

9. The Board indicates that, in general, benchmark ratios of 1:1 signify that an entity could theoretically cover its current liabilities from its assets. All entities had solvency and liquidity ratios that were generally high, with the exception of IRMCT, which had a solvency ratio of 0.94.

10. Upon request, the Advisory Committee was provided with an overview of financial ratios for the period from 2012 to 2017, which showed that the ratios of the entities had generally remained stable (see annex II below). With respect to the financial ratios in respect of the United Nations, as reported in volume I of the report of the Board of Auditors, the Board concluded that the financial health of the United Nations remained sound, as the Organization had sufficient current assets to cover its current liabilities, as evidenced in a ratio for 2017 of 3.88 (compared with 3.41 in 2016 and 2.89 in 2015), a solvency ratio of 1.35 (compared with 1.44 in 2016 and 1.46 in 2015), a quick ratio of 3.51 (compared with 3.11 in 2016 and 2.57 in 2015) and a cash ratio of 2.42 (2.28 in 2016 and 1.77 in 2015). **The Committee notes the conclusion of the Board that the overall financial positions of the audited entities remained sound as at 31 December 2017.**

11. The Board found high ratios at some entities, for example the United Nations Capital Development Fund (quick ratio of 17.52 and cash ratio of 14.83) and UNITAR (quick ratio of 20.04 and cash ratio of 12.22), and also noted an increase in ratios at UNU (quick ratio of 5.93, compared with 3.67 in 2016; cash ratio of 4.69, compared with 2.31 in 2016) (see A/73/209, table 3). The Advisory Committee recalls the view of the Board that the acceptable levels of ratios for an entity should be decided by the respective entity and that, for example, the Finance and Budget Network of the High-level Committee on Management should facilitate the establishment of a framework in that respect (see A/72/537, para. 9). Upon enquiry, the Committee was informed that acceptable ratio levels depend on the business model of each entity. In the case of UNU, the increase in financial ratios was a result of temporary gains relating to the sale of assets, while in the case of the United Nations Capital Development Fund,

³ The United Nations Capital Development Fund, the United Nations Human Settlements Programme (UN-Habitat), the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), United Nations University (UNU) and IRMCT.

⁴ The United Nations, the United Nations peacekeeping operations, ITC, UNFPA, UNICEF, UNITAR, UN-Women and the International Tribunal for the Former Yugoslavia.

⁵ The United Nations, the United Nations peacekeeping operations, ITC, the United Nations Capital Development Fund, UNFPA, UNICEF, UNITAR, UNHCR, UNU, UN-Women and the International Tribunal for the Former Yugoslavia.

high financial ratios occurred because funds could not be expended immediately owing to terms imposed by donors on the funds provided.

12. **The Advisory Committee finds the Board's financial analysis of entities very useful and continues to encourage the Board of Auditors to routinely include comparative data in future reports, including the trends in ratios over time and the correlation between ratios and the operational nature of an entity, as well as an analysis thereof (see also A/72/537, para. 9).**

13. The Board indicated that cash and cash equivalents for the United Nations amounted to \$272.2 million as at 31 December 2017, representing a decrease of \$548.1 million (66.8 per cent) compared with \$820.3 million as at 31 December 2016. An amount of \$248.77 million relates to the main cash pool, representing a decrease of \$550.18 million (68.8 per cent) compared with \$798.95 million as at 31 December 2016 (see A/73/5 (Vol. I), chap. V, notes 7, 30, and 31). The Advisory Committee recalls that the high level of cash and cash equivalents as at 31 December 2016 had resulted from high balances pertaining to the trust funds of the United Nations, while the overall financial assets held in the main pool remained relatively unchanged (see A/72/537, para. 10). Upon request, the Committee was provided with an overview of cash, cash equivalents and investments for the period from 2012 to 2017, which showed that the financial situation of the entities had generally remained stable (see annex III below). **The Committee notes the considerable fluctuation in cash balances for the United Nations and most of the other entities from one year to the next and trusts that these matters will be kept under close review.**

14. The Board observed that the ownership of an unassigned fund amounting to \$10.72 million and named "64PFN", which was established in 2006 to meet administrative expenditures of the United Nations Joint Staff Pension Fund, had not been clearly established by either the United Nations or the Pension Fund (A/73/209, para. 23). Upon enquiry, the United Nations informed the Committee that the fund would henceforth be reflected in the financial statements of the Pension Fund. **The Committee expects that the consolidation of fund 64PFN in the balances of the Pension Fund will proceed as a matter of priority.**

15. As in the past, the Board commented on the management of reserves. In the case of UNOPS, the Board indicated that the established minimum operational reserve level had been set at a value equivalent to four months of average management expenses, or \$20.7 million as at 31 December 2017. However, the actual operational reserves amounted to \$158.64 million, compared with \$131.59 million in 2016 (see A/73/5/Add.11, chap. II, paras. 13–16). As an example, the Board noted that progress had been made at the United Nations Capital Development Fund through the use of a new methodology, approved by the Fund's Executive Board in September 2017, whereby the operational reserve is set at 50 per cent of the average expenditure for core activities in the previous three years. As at 31 December 2017, the Fund held a reserve of \$6.74 million compared with the amount of \$14.07 million reported on 31 December 2016 (see A/73/5/Add.2, chap. II, para. 14).

16. **The Advisory Committee reiterates its view that entities should ensure a balanced approach to maintaining reserve levels, as well as its concern that no apparent effort has been made to establish guidance in this regard. The Committee notes that no related discussions have yet taken place at the level of the United Nations System Chief Executives Board for Coordination (CEB). The Committee recommends that the General Assembly request the Secretary-General, in his role as Chair of CEB and in consultation with the other members of CEB, to facilitate the development of reasonable benchmarks for minimum and maximum reserve levels for use by United Nations system organizations. The**

Committee looks forward to a status update thereon in the next financial statements (see also A/72/537, para. 11).

17. With respect to the management of cash and investments, the Board again pointed out that cash and investment pooling across the United Nations system may be the most desirable model, as such an approach may decrease the cost of transactions to the participating entities. The Board also pointed out that the pooling of funds had had a positive effect on overall investment performance and risk because of economies of scale and the ability to spread yield curve exposures across a range of maturities (see A/73/209, para. 21, and A/73/5 (Vol. I), chap. V, note 31, para. 229). Nine entities⁶ had pooled the management of their resources with the United Nations Treasury at Headquarters, which manages investments of \$8.09 billion, while five entities⁷ had pooled their resources with UNDP, which manages investments of \$5.67 billion for its own programme and those of other United Nations entities. UNICEF, UNHCR, UNRWA and UNOPS do not participate in an investment pool and manage their own investments (see A/73/209, sect. C, and A/72/537, para. 12). Upon enquiry, the Advisory Committee was informed that in 2016 UNOPS had withdrawn its funds from the investment pool managed by UNDP and was now managing its own investments.

18. The Advisory Committee recalls that a study conducted by the Finance and Budget Network of the High-level Committee on Management of CEB, which was finalized in July 2011, had concluded that it would be feasible to establish a Headquarters central Treasury investment management function for the United Nations system and that such a structure could result in administrative cost savings for individual United Nations entities (see A/72/537, para. 13). The Committee notes that no further steps have been taken since the conclusion of the aforementioned study and recalls its previous recommendation that a study in that respect should be undertaken, as the pooling of cash and investments could be a desirable investment management model for United Nations system entities (*ibid.*, para. 15). **The Committee recommends that the General Assembly reiterate its request that the Secretary-General, in his role as Chair of CEB and in consultation with the other members of CEB, present viable options for a centralized Treasury investment management function for the United Nations system. Actions in this regard should be reported to the Assembly in the appropriate context during the main part of its seventy-fourth session.**

2. Status of implementation of the recommendations of the Board

19. The status of the implementation of recommendations across the audited entities is presented in the concise summary report (see A/73/209 and A/73/209/Corr.1, table 13), as well as in the audit reports of the individual entities. The Board notes that, of 742 previous recommendations for 2017 (as at 30 June for peacekeeping operations and as at 31 December for all other entities), 365 recommendations, or 49 per cent, had been fully implemented, compared with 45 per cent in 2016. Notwithstanding the slight increase, the Advisory Committee notes that the overall implementation rate remains significantly lower than the 65 per cent rate realized in the biennium 2008–2009, as indicated in the following table:

⁶ The United Nations, the United Nations peacekeeping operations, ITC, UNEP, UN-Habitat, the International Tribunal for the Former Yugoslavia, IRMCT, UNODC and UNU. The latter previously pooled its resources jointly with the United Nations Treasury and the United Nations Joint Staff Pension Fund and is now pooling its resources only with the United Nations Treasury (see A/73/209, table 4, and A/72/537, para. 12).

⁷ The United Nations Capital Development Fund, UNDP, UNFPA, UNITAR and UN-Women.

Recommendations implemented

2017	49 per cent
2016	45 per cent
2015	43 per cent
2014	41 per cent
2013	49.6 per cent
2012	56 per cent
2010–2011	55 per cent
2008–2009	65 per cent

20. With respect to the United Nations, the Board of Auditors noted that, of the 129 recommendations, 31 (24 per cent) had been fully implemented, 84 (65 per cent) were under implementation, 12 (9 per cent) had not been implemented and 2 (2 per cent) had been overtaken by events (see A/73/5 (Vol. I), chap. II, paras. 8–10). In comparison, for the financial year 2016, of 98 recommendations, 17 (18 per cent) had been fully implemented, 66 (67 per cent) were under implementation, 10 (10 per cent) had not been implemented, and 5 (5 per cent) had been overtaken by events (see A/72/537, para. 35).

21. **The Advisory Committee notes that annual implementation rates have continued to improve and reiterates the need for the United Nations offices covered in volume I and other entities to strengthen their efforts for the implementation of audit recommendations. The Committee welcomes all efforts aimed at increasing the rate of implementation of recommendations, including the inclusion of specific implementation timelines agreed upon by the Board and the entities.**

B. Other matters

22. Details of the views of the Board on the various topics mentioned below are presented in the concise summary, as well as the relevant sections in the audit reports of the individual entities.

1. Fraud-related matters

23. The Board again observed that, as in the previous year, 11 of 18 entities had conducted fraud risk assessments. In addition, the Board observed that the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat (ST/IC/2016/25) had not been operationalized in the United Nations offices covered in volume I, UNEP, UNU, UN-Habitat, UNHCR, UN-Women or UNFPA (A/73/209, paras. 40–53). The Board also raised concerns that in the Procurement Division of the United Nations, mandatory anti-fraud training had not been completed and that no dedicated procurement-related anti-fraud training had been made available (A/73/5 (Vol. I), chap. II, para. 299). With respect to the online training course on preventing fraud and corruption at the United Nations, the Advisory Committee was informed, upon enquiry, that 74 per cent of non-peacekeeping staff of the United Nations and 72 per cent of peacekeeping staff had yet to complete the course as at 28 September 2018. **The Committee stresses the importance of fraud-related training, in particular for staff in high-risk functions such as procurement.**

24. With respect to the accuracy of the number of cases of fraud reported, the Board noted that a number of cases of fraud and presumptive fraud had been omitted from the statistics provided, in particular cases that had been referred for investigation by

the United Nations offices covered in volume I of its report other than the Office of the Controller. The Board observed a lack of coordination between the Office of the Controller and the Office of Internal Oversight Services (OIOS) and concluded that, as a result, the number of cases of fraud and presumptive fraud were likely underreported and/or not reported in their entirety (*ibid.*, para. 424). **The Advisory Committee concurs with the recommendation of the Board that the United Nations should implement a suitable mechanism to ensure coordination between the Office of the Controller, other offices of the United Nations covered in volume I and OIOS for a complete and comprehensive reporting of cases of fraud and presumptive fraud.**

2. Management of implementing partners

25. The Board observed a number of deficiencies, including: (a) delays in disbursements from country-based pooled funds to implementing partners; (b) delays in financial statements and refunds received from implementing partners; and (c) inadequate comparative screening and assessment in the selection of implementing partners (A/73/209, paras. 54–66). **The Advisory Committee again concurs with the concern of the Board of Auditors with respect to the management of implementing partners and is of the view that more efforts are required with respect to adequate monitoring and oversight across different entities, as well as their screening and selection processes.**

3. Consultants

26. The Board highlighted a number of issues concerning consultants in the United Nations offices covered in volume I and in various other entities. These include inadequate processes used for the recruitment of consultants, inadequate roster management, the hiring of consultants to undertake regular day-to-day staff work rather than specialized tasks and the management of selections outside of the enterprise talent management platform (Inspira) (*ibid.*, paras. 73–83).

27. Upon request, the Advisory Committee was provided with information on the ratio of staff members to non-staff employees, including consultants, which appears high in some entities. The Committee notes that, in a number of entities, the number of non-staff employees comprises a significant part of the overall workforce, for example at UNICEF, 13,793 staff members, 3,624 non-staff employees and 2,526 consultants were employed for more than five months over a five-year period; at UNHCR, 11,420 staff, 3,709 non-staff employees and 448 consultants were employed for more than five months over a five-year period; and at UNODC, 496 staff members, 1,778 non-staff employees and 528 consultants were employed for more than five months over a five-year period. **The Committee recommends that the General Assembly request United Nations entities to exercise proper oversight in the application of relevant policies and guidelines, such as in the recruitment of and the overall management process relating to non-staff personnel, including consultants, and to ensure the ongoing transparency of information provided thereon.**

4. Managing globally dispersed operations

28. The Advisory Committee recalls the previous observations of the Board with respect to the management of globally dispersed operations. In its most recent report, the Board observed that at UNDP, some country programmes were not reviewed annually, as stipulated, but rather only intermittently, and that at UNHCR, some country operations had not fully documented and implemented formal disaster recovery plans for their information and communications technology infrastructure (see A/73/209, paras. 91–94). **The Committee recalls the Board's earlier**

observations and recommendations on the subject of globally dispersed operations (A/71/558, paras. 29–36). With respect to the United Nations offices covered in volume I, the Committee is of the view that the effective management of such operations is an issue of increasing importance given the ongoing efforts to decentralize and delegate authority to field operations and looks forward to the findings and recommendations of the Board in the context of future audit reviews.

5. Procurement

29. The Board observed that delegations of procurement authority were not reviewed systematically. For example, in its report on the United Nations (A/73/5 (Vol. I)), the Board identified one instance where a delegation of procurement authority had not been reviewed since 2008 (see A/73/209, paras. 95–103). **The Advisory Committee trusts that all audited entities will ensure that delegations of procurement authority are reviewed systematically and regularly.** The Committee has commented extensively on matters related to the delegation of authority and accountability in its report on shifting the management paradigm in the United Nations: implementing a new management architecture for improved effectiveness and strengthened accountability (A/72/7/Add.49, paras. 10–20).

6. Travel management

30. With respect to the advance booking policies, as in the past, the Board observed that a number of entities did not have data available concerning the advance booking of travel (United Nations peacekeeping operations, United Nations Capital Development Fund, UNDP, UNFPA, UNOPS and UN-Women). In other cases, information could not be provided about savings achieved through videoconferencing and other alternative methods of communication (United Nations offices covered in volume I, United Nations peacekeeping operations, ITC, UNICEF, UNHCR and UNRWA) (A/73/209, paras. 104–113). **The Advisory Committee trusts that the Board will continue to examine travel expenditures and broader travel management practices in the United Nations offices covered in volume I and in other United Nations entities, with a view to ensuring the transparent and efficient use of resources (see also A/72/537, paras. 25 and 26).**

7. Statement of internal control at the United Nations

31. The Board observed that no statement of internal control was being prepared at the United Nations (A/73/5 (Vol. I), chap. II, para. 281). The Advisory Committee recalls that the Secretary-General, in his seventh progress report on the accountability system in the United Nations, had indicated that at the end of each calendar year, every head of a department, office or mission would be required to sign a statement of internal control attesting to compliance with the internal control framework under his or her area of responsibility (see A/72/885, para. 48).⁸ Upon enquiry, the Committee was informed that the United Nations expected to issue a statement of internal control for the financial year 2019, but that its issuance would be postponed owing to other ongoing priorities relating to the current reform programme. **The Committee notes with concern the delay in introducing a statement of internal control. The Committee considers that an annual statement of internal control is an essential instrument of accountability, specifically with respect to the reform of the delegation of authority, and expects its implementation as soon as possible. The Committee intends to follow up on this matter in the context of related topics, such as the accountability system at the United Nations.**

⁸ Endorsed by the General Assembly in its resolution 72/303.

8. Outstanding commitments in the United Nations

32. The Board observed that outstanding commitments totalling \$135.9 million had been reflected under annual actual expenditures in statement V of the financial statements for the year 2017. The Board also indicated that an analysis of a sample of outstanding commitments valued at \$56.55 million showed that outstanding commitments of \$24.23 million had been created for goods and services that had not been delivered in 2017. In the view of the Board, the creation of those commitments as outstanding against the regular budget for the biennium 2016–2017 was not in line with regulation 5.3 of the Financial Regulations and Rules of the United Nations (A/73/5 (Vol. I), chap. II, paras. 42–50). Upon enquiry, the Advisory Committee was informed by the United Nations that the financial statements are prepared on an accrual basis, in compliance with the provisions of IPSAS, and that financial statement V presents actual as compared with budgeted amounts. The Committee was also informed that the aforementioned outstanding commitments of \$24.23 million pertaining to goods and services that had not been received by year's end had not been recorded as expenditure. **The Committee concurs with the recommendation of the Board and recommends that the General Assembly request the Secretary-General to undertake, as a matter of routine, an analysis of open commitments at year's end, in line with the provisions of the Financial Regulations and Rules of the United Nations, so as to ensure that unencumbered balances are returned in full and in a timely manner to Member States.**

9. Heritage assets in the United Nations

33. The Board indicated that significant heritage assets owned by the Organization comprised works of art, statues, monuments, historical buildings, books and maps that had been acquired over many years by various means, including through donation and bequest. The Board observed that, while the accounting policy of not recognizing heritage assets in the financial statements was in line with the provisions of IPSAS, the assets were considered to be significant for the Organization, as they were often irreplaceable, in particular as they were of cultural, educational or historical importance (A/73/5 (Vol. I), chap. II, paras. 51–58, and chap. V, note 14). **The Advisory Committee concurs with the Board on the need for a comprehensive and robust internal control system with respect to heritage assets and recommends that the General Assembly request the Secretary-General to develop and implement an appropriate recording mechanism as a matter of priority.**

10. Temporary assignments at the United Nations

34. The Board reviewed the granting of special post allowance to staff assuming higher-level responsibilities. The Board observed that it did not appear that such assignments had been limited to exceptional cases and pointed out that during 2016–2017, 2,468 temporary assignments involving a special post allowance had been granted, with 718 such assignments lasting for more than one year. For temporary assignments initiated between 2008 and 2014, 13 had lasted for five years or more. The Board also indicated that the United Nations had stated that the overuse of temporary job openings was one of the main factors preventing stronger workforce planning in the Organization (A/73/5 (Vol. I), chap. II, paras. 93–99). Upon enquiry, the Advisory Committee was informed by the Board that there was a sequential, or domino, effect of vacant posts being filled through the use of temporary assignments and that during 2016–2017, 1,822 posts had been filled using temporary assignments.

35. **The Advisory Committee concurs with the Board that there is a need to analyse the use of temporary job openings in lieu of issuing job openings. The**

Committee intends to keep this matter under review, specifically the granting of special post allowance, in the context of its review of human resources and other matters.

11. United Nations Children's Fund National Committees

36. The Board highlighted that 21 of the 26 National Committees retained more than 25 per cent of their gross revenue collection; certified financial statements for the years 2015 and 2016 from a number of National Committees were submitted late; and certain investments did not comply with the low-risk investment approach stipulated by UNICEF (A/73/5/Add.3, chap. II, paras. 80–93). **The Advisory Committee concurs with the Board that there is a need for UNICEF to engage with the National Committees on the above-mentioned matters with a view to ensuring greater compliance with stipulated guidelines.**

12. Resident coordinator staffing at the United Nations Development Programme

37. With respect to the level of staffing dedicated to coordination functions referenced in the report of the Board of Auditors on UNDP, the Advisory Committee was informed, upon enquiry, that the resident coordinator system consisted of 470 posts, comprising 36 posts in the Development Operations Coordination Office and 434 posts in the offices of the resident coordinators. With respect to the latter, 129 resident coordinators and resident representatives at various levels allocated 50 per cent of their time to supporting coordination activities and 50 per cent of their time to providing support to their respective UNDP offices. **The Committee intends to address related matters, including in connection with cost-sharing arrangements, in its upcoming reports on the support provided to the resident coordinator system (see also A/72/7/Add.5).**

Annex I

Financial reports, audited financial statements and reports of the Board of Auditors for the financial period ended 31 December 2017 and related reports considered by the Advisory Committee on Administrative and Budgetary Questions

Reports of the Board of Auditors

1. Concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors (see A/73/209 and A/73/209/Corr.1)
2. United Nations (A/73/5 (Vol. I))
3. International Trade Centre (A/73/5 (Vol. III))
4. United Nations University (A/73/5 (Vol. IV))
5. Capital master plan (A/73/5 (Vol. V))^a
6. United Nations Development Programme (A/73/5/Add.1 and A/73/5/Add.1/Corr.1)
7. United Nations Capital Development Fund (A/73/5/Add.2)
8. United Nations Children's Fund (A/73/5/Add.3)
9. United Nations Relief and Works Agency for Palestine Refugees in the Near East (A/73/5/Add.4)
10. United Nations Institute for Training and Research (A/73/5/Add.5)
11. Voluntary funds administered by the United Nations High Commissioner for Refugees (A/73/5/Add.6)^a
12. Fund of the United Nations Environment Programme (A/73/5/Add.7)
13. United Nations Population Fund (A/73/5/Add.8)
14. United Nations Human Settlements Programme (A/73/5/Add.9)
15. United Nations Office on Drugs and Crime (A/73/5/Add.10)
16. United Nations Office for Project Services (A/73/5/Add.11)
17. United Nations Entity for Gender Equality and the Empowerment of Women (A/73/5/Add.12)
18. International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 (A/73/5/Add.14)
19. International Residual Mechanism for Criminal Tribunals (A/73/5/Add.15)
20. United Nations Joint Staff Pension Fund (A/73/5/Add.16)^a
21. Strategic heritage plan of the United Nations Office at Geneva (see A/73/157)^a
22. Implementation of the information and communications technology strategy (see A/73/160)^a
23. Implementation of the United Nations enterprise resource planning system (A/73/169)^a

^a To be discussed in a separate report of the Advisory Committee.

Related reports

24. Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2017 on the United Nations and on the capital master plan (A/73/353)
25. Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2017 on the United Nations funds and programmes (A/73/353/Add.1)

Annex II

Financial ratios for the 2012–2017 reporting periods

Entity	Current ratio							Total assets: total liabilities							Cash ratio							Quick ratio						
	2017	2016	2015	2014	2013	2012		2017	2016	2015	2014	2013	2012		2017	2016	2015	2014	2013	2012		2017	2016	2015	2014	2013	2012	
United Nations	3.88	3.41	2.89	2.72	-	-		1.35	1.44	1.46	1.29	-	-	-	2.42	2.28	1.77	1.5	-	-	-	3.51	3.11	2.57	2.35	-	-	
United Nations peacekeeping operations	1.22	1.17	1.09	0.97	0.97	-		1.19	1.17	1.21	1.25	1.33	-	0.66	0.6	0.56	0.51	0.41	-	-	-	1.06	1.04	0.96	0.8	0.79	-	
ITC	1.64	1.94	2.76	2.84	-	-		1.05	0.76	1	1.14	-	-	0.85	1.3	1.29	1.26	-	-	-	-	1.57	1.86	2.66	2.76	-	-	
United Nations Capital Development Fund	17.72	27	18	22.5	30.2	7.5		7.17	9.8	10.3	7.62	6.9	3.6	14.83	20.4	15.6	17.35	24.1	8.6	17.52	26.63	17.67	22.04	28.5	8.6	-	-	
UNDP	3.77	4.48	3.59	3.65	4.42	4.59		2.76	3.11	2.99	2.82	3.37	3.42	3.44	4.12	3.18	3.13	3.86	3.47	3.62	4.28	3.41	3.37	4.09	4.14	-	-	
UNEP	5.41	5.17	4.74	3.9	-	-		4.63	5.21	4.8	3.79	-	-	2.66	2.35	2.13	1.61	-	-	1.08	3.69	3.46	2.78	-	-	-	-	
UNFPA	4.3	5.7	4.5	2.5	4.6	2.8		2.57	2.6	2.9	2.3	2.9	2.2	2.78	3.97	2.6	1.7	2.9	1.3	3.85	5.2	3.8	2.1	4.2	2.6	-	-	
UN-Habitat	3.6	6.49	4.76	4.72	-	-		3.2	4.71	3.92	3.89	-	-	1.71	2.76	1.92	1.03	-	-	3.28	5.76	4.18	3.4	-	-	-	-	
UNICEF	4.58	5.13	2.8	2.79	3.18	4.03		2.96	3.38	2.11	2.04	2.05	2.2	2.56	2.78	1.4	1.33	1.73	-	3.55	3.96	4	2.01	2.53	-	-	-	
UNITAR	22.68	15.02	12.83	4.93	-	-		3.23	2.95	3.02	2.14	-	-	12.22	8.09	7.56	2.95	-	-	20.04	12.4	11.68	4.7	-	-	-	-	
UNHCR	9.27	8.7	8.6	6.87	8.7	9.2		2.99	2.7	2.7	2.26	3.2	2.6	4.28	4	4.6	3.13	3.5	2.9	8.3	6.9	7.5	5.65	7.3	8	-	-	
UNODC	4.18	4.05	3.04	3.1	-	-		2.73	2.72	2.46	2.3	-	-	2.92	2.64	1.72	1.62	-	-	4.07	3.86	2.95	1.96	-	-	-	-	
UNOPS	1.02	0.35	0.85	0.63	0.73	0.79		1.09	1.09	1.07	1.07	1.08	1.05	0.95	0.29	0.82	0.56	0.67	1.05	1.01	0.35	0.84	0.62	0.78	1.04	-	-	
UNRWA	2.27	2.94	2.63	3.1	2.41	2.31		1.04	1.17	1.24	1.48	1.35	1.34	1.34	1.76	1.56	1.83	1.57	-	1.46	1.91	1.74	2.09	2.14	-	-		
UNU	5.98	3.74	10.35	7.47	-	-		7.29	6.05	7.43	6.63	-	-	4.69	2.31	7.35	7.16	-	-	5.93	3.67	10.27	7.43	-	-	-	-	
UN Women	6.17	7.95	8.83	12.55	8.9	4.1		4.07	4.17	4.95	5.23	4.7	3.5	4.04	6.55	7.1	9.87	7.2	3.2	4.99	6.78	7.5	10.3	7.6	3.4	-	-	
International Tribunal for Rwanda	-	0.94	5.13	2.34	-	-		-	1.14	1.09	0.69	-	-	-	0.72	2.35	1.45	-	-	-	0.93	5.04	2.16	-	-	-	-	
International Tribunal for the Former Yugoslavia	3.72	5.25	7.11	5.3	-	-		1.36	1.25	1.36	1.07	-	-	2.16	3.31	4.26	3.3	-	-	3.71	5.23	7.06	5.2	-	-	-	-	
IRMCT	7.88	7.46	0.88	3.96	-	-		0.94	1.17	1.11	2.63	-	-	5.19	1.59	0.79	3.54	-	-	7.69	7.38	0.84	3.92	-	-	-	-	

Annex III

14/14

Cash and cash equivalents and investments for the 2012–2016 reporting periods

[illegible]

Biennial financial statements for 2012–2013 are based on the United Nations system accounting standards.

^b Liquidated on 31 December 2016.



General Assembly

Distr.: General
23 October 2018
Original: English

Seventy-third session

Agenda item 128 (w)

**Cooperation between the United Nations and
regional and other organizations: cooperation
between the United Nations and the Commonwealth
of Independent States**

Letter dated 9 October 2018 from the Permanent Representative of Tajikistan to the United Nations addressed to the Secretary-General

I have the honour to transmit a joint statement by the Ministers for Foreign Affairs of the States members of the Commonwealth of Independent States on rejecting the erosion of the principle of non-interference in the internal affairs of sovereign States (see annex).*

I should be grateful if you would have the present letter and its annex circulated as a document of the General Assembly, under agenda item 128 (w).

(Signed) Mahmamin Mahmadaminov

* The annex is being circulated in English and Russian only.



Annex to the letter dated 9 October 2018 from the Permanent Representative of Tajikistan to the United Nations addressed to the Secretary-General

[Original: Russian]

Statement by the Ministers for Foreign Affairs of the States members of the Commonwealth of Independent States on rejecting the erosion of the principle of non-interference in the internal affairs of sovereign States

The Ministers for Foreign Affairs of the States members of the Commonwealth of Independent States,

Reaffirming their commitment to promote peace and global and regional stability and security, and *considering* that the emergence of a polycentric model of international relations reflects the undeniable changes in the world and meets the aspirations of the vast majority of countries,

Recognizing the seriousness of the growing threat to global peace and security from interference, including military, in the internal affairs of sovereign States,

Supporting the need to strengthen and develop mutually beneficial, equal and non-discriminatory cooperation, both bilaterally and through multilateral structures and forums, to ensure equal and indivisible security and mutual respect among all members of the international community on the basis of the norms and principles of international law, and to jointly uphold those principles,

Declare that our States are committed to the principles of international law as reflected in the Charter of the United Nations, the 1970 Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States in accordance with the Charter of the United Nations, the principles of relationships between States enshrined in the 1975 Final Act of the Conference on Security and Cooperation in Europe, and the provisions of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights,

Note that these principles are the cornerstone of fair and equitable international relations, establishing a common space for equal and indivisible security and economic cooperation,

Consider it counterproductive for a number of countries to impose their own values as universal and express our readiness to contribute towards strengthening the ethical dimension of international relations on the basis of the generally accepted norms and principles of international law,

Fully support the principle of non-interference in the internal affairs of States,

Regard any interference by States in the internal affairs of other States as a violation of that principle, including funding and training representatives of political parties and encouraging radical extremist forces to overthrow legitimate Governments,

Condemn extraterritorial application of national law by States that is not in conformity with international law,

Reaffirm the principle that States shall refrain from the threat or use of force in violation of the Charter of the United Nations and the Final Act of the Conference on Security and Cooperation in Europe,

Reject the application of unilateral restrictive measures as tools for political pressure, including economic and trade measures not in accordance with international law, the Charter of the United Nations and the commitments of the Organization for Security and Cooperation in Europe, and measures that go beyond the scope of the United Nations Security Council.

Consider unilateral coercive measures imposed in the absence of corresponding Security Council sanctions, or supplementary thereto, to be an example of a violation of the principle of non-interference in internal affairs and the other generally recognized principles and norms of international law, and to be an application of double standards.

Reaffirm the principle of the peaceful settlement of international disputes.

Resolve to take joint steps to implement Security Council resolutions and prevent their broad interpretation, to counter illegitimate unilateral and bloc approaches to the settlement of crisis situations in the world, and to promote fair multilateral and collective approaches to address pressing global and regional problems.

**General Assembly
Security Council**

Distr.: General
15 October 2018
English
Original: Arabic

General Assembly
Seventy-third session
Agenda items 38, 55 and 74

Security Council
Seventy-third year

The situation in the Middle East

**Report of the Special Committee to Investigate Israeli
Practices Affecting the Human Rights of the Palestinian
People and Other Arabs of the Occupied Territories**

Promotion and protection of human rights

**Identical letters dated 11 October 2018 from the Permanent
Representative of the Syrian Arab Republic to the United Nations
addressed to the Secretary-General and the President of the
Security Council**

On instructions from my Government, I should like to convey to you the following information:

The occupying Israeli authorities intend to hold elections on 15 October 2018 for so-called local councils in the occupied Syrian Golan villages of Majdal Shams, Buq'ata, Mas'adah, Ayn Quniyah and Ghajar, in flagrant violation of all relevant United Nations resolutions and the Geneva Conventions concerning territories under the administration of an occupying Power, and contrary to the desire and will of the Syrian Arab population living in the occupied Syrian territories.

Those actions by the occupying Israeli authorities are aimed at implementing their colonialist and racist projects to Judaize the occupied Syrian Golan and an attempt to legalize and consolidate their occupation and apply Israeli law in the occupied Syrian Golan, in clear violation of Security Council resolution 497 (1981), wherein the Council considers the Israeli decision to impose its laws, jurisdiction and administration in the occupied Golan is null and void and without international legal effect.

The Syrian Arab Republic reaffirms that the occupied Syrian Golan is an integral part of its territory and that it will strive, by all available ways and means, to return that occupied territory to the homeland, sooner or later. It also reaffirms it supports for Syrian Arab citizens as they resist Israeli occupation and reject these elections and the decision to incorporate the Syrian Arab Golan into the occupying State.

Moreover, the Government and the people of the Syrian Arab Republic reaffirm that they utterly reject and absolutely condemn this hostile and reckless action. The

18-17224 (E) 181018 231018



Please recycle



Syrian Arab Republic calls upon all diplomatic missions and international organizations to clearly reject these flagrant Israeli violations of international law and norms, the Charter of the United Nations, the Fourth Geneva Convention and Security Council resolutions.

Syria calls upon the Security Council to act urgently and compel Israel to withdraw from the occupied Syrian Golan and halt its oppression of our people in the occupied Syrian Golan and its illegal settlement policies, in accordance with the relevant United Nations resolutions, in particular Security Council resolution 497 (1981). Israel must also be compelled to stop providing any form of material and moral support to armed terrorist gangs in Syria and to end its policy of holding in contempt international law and the international community.

I should be grateful if the present letter could be circulated as a document of the General Assembly, under agenda items 38, 55 and 74, and of the Security Council.

(Signed) Bashar **Ja'afari**
Ambassador
Permanent Representative

**General Assembly**

Distr.: General
16 October 2018
Original: English

Seventy-third session
Agenda item 169

**Observer status for the Cooperation Council of
Turkic-speaking States in the General Assembly****Report of the Sixth Committee**

Rapporteur: Ms. Nadia Alexandra Kalb (Austria)

I. Introduction

1. The item entitled "Observer status for the Cooperation Council of Turkic-speaking States in the General Assembly" was included in the provisional agenda of the seventy-third session of the General Assembly pursuant to Assembly decision 72/523.
2. At its 3rd plenary meeting, on 21 September 2018, the General Assembly, on the recommendation of the General Committee, decided to include the item in its agenda and to allocate it to the Sixth Committee.
3. The Sixth Committee considered the item at its 14th meeting, on 15 October 2018. The Committee's consideration of the item is reflected in the relevant summary record.¹
4. For its consideration of the item, the Committee had before it a letter dated 2 May 2011 from the Permanent Representatives of Azerbaijan, Kazakhstan, Kyrgyzstan and Turkey to the United Nations addressed to the Secretary-General (A/66/141).

II. Consideration of draft resolution A/C.6/73/L.2

5. At its 14th meeting, on 15 October 2018, the Committee had before it a draft resolution entitled "Observer status for the Cooperation Council of Turkic-speaking States in the General Assembly" (A/C.6/73/L.2).
6. At the same meeting, the Vice-Chair of the Committee announced that the Bureau had been informed that the delegation of Kyrgyzstan, on behalf of the sponsors, had requested that the Committee defer a decision on the request for

¹ A/C.6/73/SR.14



observer status for the Cooperation Council of Turkic-speaking States in the General Assembly until the seventy-fourth session of the Assembly.

7. Also at its 14th meeting, the Committee adopted a draft decision without a vote (see para. 8).

III. Recommendation of the Sixth Committee

8. The Sixth Committee recommends to the General Assembly the adoption of the following draft decision:

Observer status for the Cooperation Council of Turkic-speaking States in the General Assembly

The General Assembly, on the recommendation of the Sixth Committee, decides to defer a decision on the request for observer status for the Cooperation Council of Turkic-speaking States in the Assembly² until the seventy-fourth session of the Assembly.

² See A/66/141.

**General Assembly**

Distr.: General
16 October 2018
Original: English

Seventy-third session
Agenda item 170

Observer status for the Eurasian Economic Union in the General Assembly**Report of the Sixth Committee**

Rapporteur: Ms. Nadia Alexandra **Kalb** (Austria)

I. Introduction

1. The item entitled "Observer status for the Eurasian Economic Union in the General Assembly" was included in the provisional agenda of the seventy-third session of the General Assembly pursuant to Assembly decision 72/524.
2. At its 3rd plenary meeting, on 21 September 2018, the General Assembly, on the recommendation of the General Committee, decided to include the item in its agenda and to allocate it to the Sixth Committee.
3. The Sixth Committee considered the item at its 14th meeting, on 15 October 2018. The Committee's consideration of the item is reflected in the relevant summary record.¹
4. For its consideration of the item, the Committee had before it a letter dated 30 April 2015 from the Permanent Representatives of Armenia, Belarus, Kazakhstan, Kyrgyzstan and the Russian Federation to the United Nations addressed to the Secretary-General (A/70/141).

II. Consideration of draft resolution A/C.6/73/L.3

5. At its 14th meeting, on 15 October, the Committee had before it a draft resolution entitled "Observer status for the Eurasian Economic Union in the General Assembly" (A/C.6/73/L.3).
6. At the same meeting, the Vice-Chair of the Committee announced that the Bureau had been informed that the delegation of the Russian Federation, on behalf of the sponsors, had requested that the Committee defer a decision on the request for

¹ A/C.6/73/SR.14.



observer status for the Eurasian Economic Union in the General Assembly until the seventy-fourth session of the Assembly.

7. Also at its 14th meeting, the Committee adopted a draft decision without a vote (see para. 8).

III. Recommendation of the Sixth Committee

8. The Sixth Committee recommends to the General Assembly the adoption of the following draft decision:

Observer status for the Eurasian Economic Union in the General Assembly

The General Assembly, on the recommendation of the Sixth Committee, decides to defer a decision on the request for observer status for the Eurasian Economic Union in the Assembly² until the seventy-fourth session of the Assembly.

² See A/70/141.

**General Assembly**

Distr.: General
16 October 2018
Original: English

Seventy-third session
Agenda item 173

Observer status for the Global Environment Facility in the General Assembly**Report of the Sixth Committee**

Rapporteur: Ms. Nadia Alexandra **Kalb** (Austria)

I. Introduction

1. The item entitled "Observer status for the Global Environment Facility in the General Assembly" was included in the provisional agenda of the seventy-third session of the General Assembly pursuant to Assembly decision 72/527.

2. At its 3rd plenary meeting, on 21 September 2018, the General Assembly, on the recommendation of the General Committee, decided to include the item in its agenda and to allocate it to the Sixth Committee.

3. The Sixth Committee considered the item at its 14th meeting, on 15 October 2018. The Committee's consideration of the item is reflected in the relevant summary record.¹

4. For its consideration of the item, the Committee had before it a note verbale dated 12 August 2017 from the Permanent Mission of Uruguay to the United Nations addressed to the Secretary-General (A/72/195).

II. Consideration of agenda item 173

5. At the 14th meeting, on 15 October 2018, the Chair of the Committee announced that the Bureau had been informed that the delegation of Uruguay had requested that the Committee defer a decision on the request for observer status for the Global Environment Facility in the General Assembly until the seventy-fourth session of the Assembly.

6. At the same meeting, the Committee adopted a draft decision without a vote (see para. 7).

¹ A/C.6/73/SR.14.



III. Recommendation of the Sixth Committee

7. The Sixth Committee recommends to the General Assembly the adoption of the following draft decision:

Observer status for the Global Environment Facility in the General Assembly

The General Assembly, on the recommendation of the Sixth Committee, decides to defer a decision on the request for observer status for the Global Environment Facility in the Assembly² until the seventy-fourth session of the Assembly.

² See A/72/195.

**General Assembly**

Distr.: General
16 October 2018
Original: English

Seventy-third session
Agenda item 172

**Observer status for the Ramsar Convention on Wetlands
Secretariat in the General Assembly****Report of the Sixth Committee**

Rapporteur: Ms. Nadia Alexandra **Kalb** (Austria)

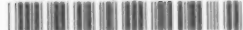
I. Introduction

1. The item entitled "Observer status for the Ramsar Convention on Wetlands Secretariat in the General Assembly" was included in the provisional agenda of the seventy-third session of the General Assembly pursuant to Assembly decision 72/526.
2. At its 3rd plenary meeting, on 21 September 2018, the General Assembly, on the recommendation of the General Committee, decided to include the item in its agenda and to allocate it to the Sixth Committee.
3. The Sixth Committee considered the item at its 14th meeting, on 15 October 2018. The Committee's consideration of the item is reflected in the relevant summary record.¹
4. For its consideration of the item, the Committee had before it a letter dated 11 August 2017 from the Permanent Representative of Uruguay to the United Nations addressed to the Secretary-General (A/72/194).

II. Consideration of agenda item 172

5. At the 14th meeting, on 15 October 2018, the Chair of the Committee announced that the Bureau had been informed that the delegation of Uruguay had requested that the Committee defer a decision on the request for observer status for the Ramsar Convention on Wetlands Secretariat in the General Assembly until the seventy-fourth session of the Assembly.
6. At the same meeting, the Committee adopted a draft decision without a vote (see para. 7).

¹ A/C.6/73/SR.14.



III. Recommendation of the Sixth Committee

7. The Sixth Committee recommends to the General Assembly the adoption of the following draft decision:

Observer status for the Ramsar Convention on Wetlands Secretariat in the General Assembly

The General Assembly, on the recommendation of the Sixth Committee, decides to defer a decision on the request for observer status for the Ramsar Convention on Wetlands Secretariat in the Assembly² until the seventy-fourth session of the Assembly.

² See A/72/194.



**General Assembly
Security Council**

Distr.: General
16 October 2018

Original: English

General Assembly
Seventy-third session
Agenda item 45
Question of Cyprus

Security Council
Seventy-third year

**Letter dated 11 October 2018 from the Permanent Representative of
Turkey to the United Nations addressed to the Secretary-General**

I have the honour to transmit herewith a letter dated 8 October 2018, addressed to you by the Representative of the Turkish Republic of Northern Cyprus, İsmet Korukoğlu (see annex).

I should be grateful if the present letter and its annex could be circulated as a document of the General Assembly, under agenda item 45, and of the Security Council.

(Signed) Feridun H. Sinirlioğlu
Permanent Representative



Annex to the letter dated 11 October 2018 from the Permanent Representative of Turkey to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith a letter dated 3 October 2018, addressed to you by the Deputy Prime Minister and Minister for Foreign Affairs of the Turkish Republic of Northern Cyprus, Kudret Özersay (see enclosure).

(Signed) İsmet **Korukoğlu**
Representative

Enclosure

I have the honour to bring to your kind attention the recent attempts by the Greek Cypriot administration of Southern Cyprus to perpetuate the isolation of the Turkish Cypriot people in all fields of life, which is poisoning the atmosphere between the two peoples on the island, particularly at a time when you and the Security Council are calling upon both sides to proceed with confidence-building measures.

In this regard, the Greek Cypriot side has been aggressively pursuing a policy of defamation and misinformation regarding the Turkish Cypriot side. As a recent example, a series of letters have been sent to the maritime authorities of various countries in order to prevent any maritime interaction/trade between these countries and the Turkish Republic of Northern Cyprus. The Greek Cypriot side has gone so far as to unilaterally deem our sea ports "illegal" and has been encouraging the said countries to issue penalties against their own shipping companies for cooperating in any way with or travelling to ports in North Cyprus. As is known, the ports in the Turkish Republic of Northern Cyprus have not been deemed illegal according to international law by any country or international organization, including the European Union.

In this connection, I would like to refer to a statement dated 17 October 2017 by the then European Union Commissioner for Enlargement, Olli Rehn, which reads:

The Commission is aware that in 1974, the "government of the Republic of Cyprus" declared the sea ports in the northern part of Cyprus (Famagusta, Kyrenia, Karavostassi) prohibited and closed for all vessels. This was a unilateral decision of the Republic of Cyprus, with consequences under domestic Cypriot law but with no apparent consequences under international law. In other words, it is the Commission's understanding that there is no prohibition under general international law to enter and leave sea ports in the northern part of Cyprus. Furthermore, neither the United Nations Security Council nor the European Community has ever imposed a trade embargo with respect to those areas.

As another concrete example, the Greek Cypriot side has been targeting universities that have established academic ties with universities in the Turkish Republic of Northern Cyprus in an effort to discourage any academic cooperation. The most recent example is the letter from the Greek Cypriot Ministry of Education and Culture addressed to University of Oxford in the United Kingdom, imploring the university to reconsider the recent academic exchange agreement it had reached with the Eastern Mediterranean University in Northern Cyprus. As regards bilateral agreements with universities, it is a well-known fact that many of our universities have cooperation agreements, exchange programmes and other arrangements with esteemed international universities in the United States, Europe and even the Far East. Graduates from our universities move on to higher education, as well as employment, in all parts of the world.

Most recently, the Greek Cypriot Administration has expressed sheer outrage over the intended participation of members of the Cyprus Symphony Orchestra, as well as its artistic director and first violinist from Germany, in the music festival being organized in different venues in Northern Cyprus, including Bellapais Monastery, Girne Amphitheatre and Salamis Amphitheatre, between 21 September and 16 November 2018. Several Greek Cypriot members of Parliament have gone so far as to ask that the Greek Cypriot Ministry of Foreign Affairs take measures to "set the musicians straight", despite the fact that they would be participating on their personal capacity alongside their fellow Turkish Cypriot musicians. The matter has been heavily debated in the Greek Cypriot Parliament, and the musicians have even been

publicly named and shamed in the Greek Cypriot press. Numerous members of Parliament have called for their dismissal from the orchestra, and they must now face the orchestra board to provide an explanation for their intended participation. As a result, the said musicians had to withdraw from the festival, and thus several concerts had to be cancelled. This is a clear demonstration of intolerance towards the Turkish Cypriots, even in the fields of culture and art, and constitutes an utterly anachronistic approach in this day and age.

Other examples of obstructionist initiatives of the Greek Cypriot side span from the field of health, to that of culture, to the freedom of travel of individuals to Northern Cyprus. The attached non-exhaustive list provides more examples of the hindrances and impediments imposed by the Greek Cypriot side, and provides an overview of the intolerance concerning any interaction of the Turkish Cypriot side with the rest of the world.

These initiatives clearly show that the Greek Cypriot side cannot even tolerate the easing of the lives of the Turkish Cypriots in the field of economy, just as they cannot tolerate our interactions in the political, cultural, sporting and academic fields. It is highly hypocritical and far from sincere to claim, on the one hand, to be committed to taking steps as regards the confidence-building measures while, on the other hand, attempting to isolate the Turkish Cypriot people, with a view to undermining them in all walks of life.

I avail myself of this opportunity to put on record the above-mentioned facts in the hope that you will call upon the Greek Cypriot Administration of Southern Cyprus to cease these negative steps, which destroy any confidence there may be between the two sides and their peoples. No doubt, abandoning such steps will be a confidence-building measure in itself.

Kudret Özersay
Deputy Prime Minister
Minister for Foreign Affairs

Attachment

Recent obstructionist actions of the Greek Cypriot side

1. The Greek Cypriot side has sent letters to the maritime administrative authorities of various countries which included allegations regarding the sea ports in North Cyprus being "illegal" and closed to international navigation. The Greek Cypriot side also claims that ships that come to the ports of Northern Cyprus are breaching international law and urges the maritime authorities to issue circulars and fine the companies and ship owners that have come to those ports.
2. The Greek Cypriot Ministry of Education and Culture has sent a letter to the University of Oxford in England regarding the university's cooperation with the Eastern Mediterranean University in Northern Cyprus on women's health research, which includes allegations regarding the status of the universities in Northern Cyprus.
3. The Cyprus Dental Association has sent a letter to the Executive Board of the European Regional Organization of the International Dental Federation regarding objections towards an event that was held in Northern Cyprus, Kyrenia, in March 2018, hosted by the Northern Cyprus Association of Dental Students, which is a member of the International Association of Dental Students. The letter included a number of groundless claims and allegations about Northern Cyprus and the Cyprus issue in general, alleging that the Turkish Republic of Northern Cyprus unilaterally declared its independence and is an illegal State, while asserting Security Council resolutions as proof of such illegality, underlining a lack of accreditation of universities in the Turkish Republic of Northern Cyprus and of the Northern Cyprus Association of Dental Students by the Greek Cypriot side and questioning events being held by international organizations in areas that the Greek Cypriot side claims are "under occupation".
4. A professor from a university in Cairo, who was supposed to give a lecture in a university in the Turkish Republic of Northern Cyprus, was prevented from crossing to the North as he flew from Cairo to Larnaca. He was detained in a hotel in Larnaca without being given any reason.
5. A note verbale was distributed on 4 June 2018 by the Greek Cypriot Ministry of Foreign Affairs to the foreign missions in the South, urging them to refrain from visiting touristic or historical sites in the North, such as Othello Castle, and even other historic sites which have been restored by the bicomunal Technical Committee on Cultural Heritage with funding from the European Union. This is unacceptable as it intends to restrict the freedom of movement of individuals by using them to further impose the Greek Cypriot political agenda, namely the isolation of the Turkish Cypriots.
6. The Greek Cypriot policy of preventing students and teachers from visiting schools in the North as envisaged in the IMAGINE project.
7. The attitude of halting the work of the Bicomunal Ad Hoc Committee on European Union Preparation, which was set up to prepare the Turkish Cypriots for European Union acquis.
8. The arson attack on the warehouses of a Greek Cypriot trader who bought potatoes from Turkish Cypriot producers.
9. The recurrent violent attacks by the supporters of the far-right ELAM political party against the Turkish Cypriots and their cars, where the perpetrators have never been brought to justice.

10. The banning of the purchase of gas and other household items from the North.
11. The removal of tiles from a school in Limassol after it was discovered that they were produced in the North (despite the fact that such practice is within the framework of the Green Line Regulation).
12. The criticism shown by the Greek Cypriot leadership of a project sponsored by the Organization for Security and Cooperation in Europe regarding a bicomunal glossary for journalists.
13. The Greek Cypriot Administration has expressed sheer outrage over the intended participation of members of the Cyprus Symphony Orchestra, as well as its artistic director and first violinist from Germany, in the music festival organized in Northern Cyprus between 21 September and 16 November 2018. The members of Parliament have gone so far as to ask that the Greek Cypriot Ministry of Foreign Affairs take measures to "set the musicians straight", despite the fact that they would be participating in their personal capacity alongside their fellow Turkish Cypriot musicians. The matter has been heavily debated in the Greek Cypriot Parliament, and the musicians have even been publicly named and shamed in the Greek Cypriot press. Numerous members of Parliament have called for their dismissal from the orchestra, and they must now face the orchestra board to provide an explanation for their intended participation. Within the scope of the festival, several concerts are scheduled to take place at different venues in Northern Cyprus, including Bellapais Monastery, Girne Amphitheatre and Salamis Amphitheatre.